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

WHO WE ARE

We offer a broad array of cloud-native customer contact solutions, which are communication solutions that enable enterprises to engage in multi-channel customer interactions. We are China's largest provider of customer contact solutions deployed in public clouds as measured by revenue in 2021, with a market share of 10.3%, according to the CIC Report. In 2021, the market size of customer contact solutions deployed in public clouds in terms of revenue amounted to RMB4.0 billion, accounting for 38.2% of the cloud-based customer contact solutions market and 26.9% of the customer contact solutions market, respectively, according to the same source. Our solutions, rooted in our cloud-native, secure and reliable platform, empower businesses to create exceptional customer communication experience and intelligize their way of conducting sales, marketing, customer service and other business functions. In 2021, we facilitated over 3.0 billion interactions in the form of voice calls, SMS messages and text chat between businesses and their customers across multiple channels, helping increase their productivity and efficiency.

OUR SOLUTIONS

Our solutions run fully in the cloud, allowing for easy deployment and management across devices at multiple locations. Our clients use cloud computing and storage resources in the cloud without substantial upfront investment in hardware, infrastructure or in-house IT support.

Our cloud-based solutions, developed in-house by our research and development team, primarily consist of three offerings, serving a broad range of use cases:

- *Intelligent Contact Center Solutions*. Designed to replace legacy on-premise systems, our Intelligent Contact Center Solutions help businesses migrate their contact center functions to the cloud. The solutions allow contact center agents hired by our clients and seated in physical contact centers to efficiently interact with clients across multiple channels using desktops. Benefiting from our cloud-native architecture, our clients can greatly reduce implementation costs, easily scale their usage in response to changing business needs and effortlessly receive software upgrades. We support contact center agents with intelligent tools and functions to drive efficient and effective customer interactions.
- *Agile Agent Solutions*. Our Agile Agent Solutions are designed to facilitate customer contact activities outside physical contact centers, which are unserved by pureplay contact center solutions. Our Agile Agent Solutions, designed as a mobile application, empower clients' employees other than contact center agents (such as car salespersons, retail store assistants and after-school program tutors) to contact customers at any time in any location. It enables businesses to track and manage each interaction, which significantly increases visibility of business activities and uses data-based analytics to support decision-making.
- *ContactBot Solutions*. Our ContactBot Solutions utilize practical AI applications to automate routine and repetitive duties traditionally handled by clients' human agents. With real-time automatic speech recognition (ASR) and natural language processing (NLP) capabilities, our ContactBot is able to engage in text- and voice-based intelligent interactions. Human agents are freed from repetitive, administrative tasks and can instead focus on tasks that require more personalized, engaging services. Our ContactBot Solutions are favored by businesses who need to handle a significant volume of routine tasks and enquiries.

The following table sets forth a breakdown of our revenue by type of solutions in absolute amounts and as a percentage of our total revenue for the periods indicated.

	For the Year Ended December 31,					
	2019		2020		2021	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Total revenue:						
Intelligent Contact Center Solutions	301,610	90.1	317,101	89.6	332,984	82.8
Agile Agent Solutions	16,458	4.9	25,061	7.1	51,322	12.8
ContactBot Solutions	7,968	2.4	4,962	1.4	7,730	1.9
Other services and product sales	8,777	2.6	6,620	1.9	9,861	2.5
Total	334,813	100.0	353,744	100.0	401,897	100.0

Our Intelligent Contact Center Solutions are designed for contact center agents who handle a large volume of customer interactions on a daily basis. It is embedded with a wealth of sophisticated functions to improve agent efficiency, including interactive voice response (IVR), automatic call distributor (ACD) and predictive dialer modules. It also offers powerful reporting and analytics tools that assess agents' workload and service quality, analyze business activities and tickets and evaluate the effectiveness of knowledge base. Substantial cloud resources are required to support the advanced functions, and we charge a higher per agent service fee for our Intelligent Contact Center Solutions.

In contrast, our Agile Agent Solutions serve a much wider pool of end users, including any employees who are in regular contact with customers and not limited to contact center agents. It allows businesses to track sporadic customer interactions and exponentially increases the data available for evaluation and analytics. To tailor to the needs and preferences of such end users, the mobile application for our Agile Agent Solutions carries the most essential functions for periodic customer interactions, which consist of communication tools for voice calls, messages and pictures, as well as record keeping and key reporting tools. This enables us to reduce operational costs as compared to offering a full suite of functions, since the mobile application takes up less cloud computing, storage and networking resources. As a result, we offer such solutions at a lower per agent price, so our clients can make the solutions available to a larger base of employees.

The below hypothetical example illustrates how a national car manufacturer may use our three types of solutions to grow first-time and repeat sales and enhance customer service:

- *Intelligent Contact Center Solutions*. The car manufacturer has a team of professional agents located in multiple physical contact centers that provides pre-sales and after-sales customer support via hotline, email and web chat. With our Intelligent Contact Center Solutions, professional agents can attend to customer inquiries across multiple channels on one integrated software.
- *Agile Agent Solutions*. The car manufacturer relies on its nationwide car dealerships to interact with local customers and finalize sales. Car dealers can use Agile Agent Solutions installed on their mobile phones to contact customers. All customer interactions are recorded in real time and stored securely in the cloud, which enables the car manufacturer to monitor service quality, create customer profiles and improve overall customer experience.
- *ContactBot Solutions*. The car manufacturer can use our ContactBot Solutions to notify customers when their cars are ready for pick-up in retail stores after repair and maintenance, which saves the time and resources spent in manually making the calls.

For details, see "Business – Our Offerings."

OUR BUSINESS MODEL

We provide highly adaptable, reliable, scalable and secure customer contact solutions in the cloud. Public cloud and private cloud are the two most common types of cloud computing deployment. A public cloud is a pool of computing resources shared among multiple users, with each user's data and applications isolated from each other. It allows for scalability and resource sharing that would not otherwise be possible for a single organization to achieve. A private cloud consists of cloud computing resources used exclusively by one user. It delivers a high level of privacy, but requires substantial hardware investments and staffing, management, and maintenance expenses. A virtual private cloud (VPC), as a special category of public cloud, is an isolated cloud hosted within a public cloud environment and accessed exclusively by one user. VPCs combine the scalability and convenience of public cloud computing with the data security of private cloud computing.

Using cloud computing technologies, we deliver solutions with large capacity and high availability in Software as a Service (SaaS) model and Virtual Private Cloud (VPC) model. Our three types of solutions may be deployed via either the SaaS model or the VPC model.

- *SaaS model*. Using our cloud-native customer contact services delivered through the SaaS model, our clients can establish their own customer contact functions without any up-front investment in software or hardware. Services delivered through the SaaS model are deployed in public clouds, which allows our clients to flexibly adjust the number of agent seats according to their changing business needs.
- *VPC model*. VPC solutions combine the scalability and convenience of public cloud computing with the data isolation of private cloud computing, thereby affording greater security. We help our clients deploy highly customizable solutions on the cloud computing platform of their choice, leveraging our extensive industry know-how and deep understanding of industry trends. Our VPC solutions are the preferred choice of enterprises with stringent security requirements, primarily large SOEs and multinational companies. We commenced providing our solutions through the VPC model in 2019 and secured our first VPC contract in May 2019.

The following table summarizes the key differences between our SaaS and VPC model.

	SaaS Model	**VPC Model**
Clients	Clients of all sizes and types	Clients with stringent security requirements, primarily large Chinese SOEs and multinational companies
Platform provided	A standardized platform shared by all SaaS clients	A tailor-made platform solely accessible by the VPC client
Payment model	Monthly recurring payment	Project-based milestone billing, which is of a one-off nature
Cloud service provider(s)	We purchase cloud services from two leading providers	Clients purchase cloud resources through us or from the provider of their choice directly
Cloud deployment	Public cloud	Virtual private cloud hosted within a public cloud
Degree of customization	Largely standard solutions with a certain degree of customization for selected clients with a large purchase amount	Clients may request solutions that are specifically tailored and configured to meet their particular demands
Service support requirements	Ongoing upgrades and client support required	We typically provide a 12-month warranty period, during which we provide technical and training support free of charge; clients may subscribe for ongoing maintenance services after the warranty period expires

The following table sets forth certain of our key operating metrics for the periods indicated:

	For the Year Ended December 31,		
	2019	2020	2021
Total number of clients[1]	2,227	2,253	3,137
Total number of key accounts[2]	62	61	57
Total number of clients for SaaS model	2,186	2,207	2,673
Total number of clients for VPC model[3]	1	8	24

	For the Year Ended December 31,		
	2019	2020	2021
SaaS client retention rate	73.7%	77.9%	78.4%
Dollar-based net retention rate for all SaaS clients[4]	112.9%	105.0%	103.5%
– Number of SaaS clients identified in calculating dollar-based net retention rate	1,754	1,703	1,730
Dollar-based net retention rate for SaaS clients which were our key accounts[4]	112.6%	114.6%	108.3%
– Number of key accounts identified in calculating dollar-based net retention rate	33	49	40

(1) Our total number of clients includes clients for the SaaS model, clients for the VPC model and clients for our other services and product sales.

(2) Our key accounts are clients with an annual purchase amount exceeding RMB1 million.

(3) We commenced providing our solutions through the VPC model in 2019 and secured our first VPC contract in May 2019. We have experienced a fast growth in the number of our VPC clients since launch.

(4) Dollar-based net retention rate, for a given period, is calculated by (i) first identifying the clients who subscribed to our solutions in both the benchmark period and the period before and (ii) then using the total revenue attributable to the identified clients in the benchmark period as the numerator and the total revenue attributable to the same group of clients in the preceding period as the denominator.

CIC confirms that such calculation method is in line with industry norm. According to the CIC Report, dollar-based net retention rate is a metric frequently used by SaaS companies to evaluate revenue growth or churn from existing pool of clients. The rate represents the average spending pattern of clients over two financial periods and may not reflect the case that certain clients may have significantly reduced their revenue contribution in the second period when averaged out with other clients with extreme revenue contributions.

Our dollar-based net retention rate for all SaaS clients decreased in 2020 as compared to 2019 primarily because the COVID-19 pandemic adversely affected small and medium-sized clients; the rate further decreased in 2021 primarily due to the deteriorating performance of clients from the education industry in the second half of the year. The dollar-based net retention rate for SaaS clients which were our key accounts remained relatively stable in 2019 and 2020, reflecting strong growth of revenue from key accounts in technology, insurance and education sectors; the rate decreased in 2021 primarily due to the deteriorating performance of clients from the education industry in the second half of the year.

We enter into service agreements with our clients. The terms of such service agreements and our fee model vary depending on the type of services subscribed or purchased by our clients. We provide our SaaS solutions through recurring subscription and offer three pricing options negotiated on a case-by-case basis. We charge for our VPC solutions on a project basis, which primarily include a fixed license fee during their first purchase, additional license fee for each upgrade and maintenance fee.

For further details, see "Business – Our Business Model."

OUR MARKET OPPORTUNITIES

According to the CIC Report, the cloud-based customer contact solutions industry in China has experienced tremendous growth in recent years. Its market size in terms of revenue increased from RMB4.3 billion in 2017 to RMB10.6 billion in 2021 at a CAGR of 25.2%, and is expected to reach RMB30.7 billion in 2026, representing a CAGR of 23.7% from 2021 to 2026.

There are a number of key industry trends driving our growth, including:

- *Expanding application scenarios.* Customer interactions take place in a wider array of scenarios, involving not only customer service agents in traditional cubicle offices, but also employees from other departments performing sales, logistics, design, technical support, and maintenance functions.
- *Higher requirement of data security.* Concerns over data security have become heightened during digital transformation. Deployment on virtual private cloud provides the benefit of cloud scalability while easing enterprises' concerns over data security. As a result, virtual private cloud is expected to be increasingly adopted by organizations with particular data security requirements.
- *Proliferation of AI technologies.* Advancements in AI technologies make it possible to liberate workers from routine and repetitive tasks and helps reallocate human capital towards cognitive, higher-value activities while ensuring high quality of customer services.

OUR STRENGTHS

Technology is at the heart of our solutions. We believe deeply that cloud technology will define the future. We started to migrate our platform to the cloud as early as in 2014 by redesigning our architecture and code based on the computing, networking and storage components of public cloud environments. By 2015, we became one of the first customer contact solution providers to complete cloud migration, according to the CIC Report, and have since then continuously enhanced the functionality of our solutions. The cloud-native architecture brings scalability and stability to our platform and enables us to achieve non-disruptive, quick iterations through grayscale release, which are staged releases that reduce the risk of introducing new versions. As cloud-based solutions become an increasingly popular choice, traditional WAN networks that heavily rely on data center infrastructure are no longer sufficient to support high-quality cloud connectivity. According to the CIC Report, we are the first customer contact solution provider in China to integrate our platform with software-defined wide area network (SD-WAN), which decouples networking hardware from the control mechanism and achieves centralized control and automatic traffic routing. SD-WAN and other technologies enable our services to run on two cloud computing platforms simultaneously, and we became the only industry player to achieve active-active dual cloud deployment, which significantly improved the availability, reliability and quality of connections established through our platform.

Security is our long-held commitment. Our solutions possess enterprise-grade security capabilities. In 2015, we were the first customer contact solution provider to receive the Trusted Cloud Services Certification (TRUCS) ("可信雲服務認證") from institutions accredited by the MIIT, according to the CIC Report, which embodies our undertakings to clients in relation to data security, data privacy, failure recovery ability and service availability. In 2019, we received the Multi-Layer Protection Scheme (MLPS) Level III Certification ("信息系統安全等級保護三級") awarded by the Ministry of Public Security, the highest level achievable for non-financial institutions, which endorses our capability in system operation and information security.

With our relentless pursuit of excellence, we have built a broad, high-quality and loyal client base across diverse industries, including technology, education, insurance, automobile, travel, housing and healthcare, to name a few. In 2021, we served over 3,100 clients, among whom 57 were key accounts whose annual purchase amount exceeds RMB1.0 million. We strive to cultivate long-term relationships with our clients and evaluate our performance using client retention rate (calculated as the percentage of our existing clients in the immediately preceding period who remain our clients in the current period) and dollar-based net retention rate (calculated by (i) first identifying the clients who subscribed to our solutions in both the benchmark period and the period before and (ii) then using the total revenue attributable to the identified clients in the benchmark period as the numerator and the total revenue attributable to the same group of clients in the preceding period as the denominator) on a regular basis. In 2019, 2020 and 2021, our SaaS client retention rate was 73.7%, 77.9% and 78.4%, respectively. During the same periods, our dollar-based net retention rate for all SaaS clients was 112.9%, 105.0% and 103.5%, respectively, and for SaaS clients which were our key accounts was 112.6%, 114.6% and 108.3%, respectively.

We are the preferred choice of clients who are market leaders in their industries. We believe our popularity among top market players demonstrates our ability to address complex business and operational requirements and helps us to increase penetration in relevant sectors. Today, we have achieved a prominent market position in technology, education and insurance sectors, which were the top three contributors to our total revenue during the Track Record Period. In 2021, we served 13, 11 and 8 of the Top 20 Players in each of China's technology, education and insurance sectors as measured by revenue, respectively, among which 28 had been in business relationship with us for more than three consecutive years. Our total revenue generated from the clients who are the Top 20 Players in these three sectors increased from RMB122.6 million in 2019 to RMB194.8 million in 2021, at a CAGR of 26.0%. Our total revenue generated from all clients in these three sectors increased from RMB234.0 million in 2019 to RMB308.4 million in 2021, at a CAGR of 14.8%. According to the CIC Report, in 2021, technology, education and insurance sectors accounted for approximately 60.0% of China's public cloud customer contact solutions market. In addition, we have established business relationships with a few top players in banking and automobile industry, two key industries we have expanded into. With endorsement from top players, we are confident to effectively increase our penetration rate in these sectors.

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

- *Leading player in a rapidly growing industry*. We are China's largest provider of customer contact solutions deployed in public clouds as measured by revenue in 2021, according to the CIC Report. We completed migration to the cloud as early as in 2015, being one of the first among all the customer contact solution providers in China. According to the CIC Report, China's cloud-based customer contact solution industry has experienced tremendous growth in recent years and is expected to continue to grow at a fast speed in the foreseeable future.
- *Purpose-built platform with exceptional performance*. We are the first customer contact solution provider in China to build an IT infrastructure based on the SD-WAN technology seamlessly integrating network with cloud, and the only industry player to realize active-active dual cloud deployment, achieving exceptional reliability and availability. During the Track Record Period, we offered 99.99% uptime even in cases of sudden spikes in simultaneous communications, as compared to an industry average of 99.5%, according to the CIC Report. Our platform has been operating free from overall system failures for more than 35 months.
- *Robust technology capabilities*. Technology capabilities are at the core of our success. Our business is guided by an unwavering focus on transforming customer interactions through digital, agile and intelligent technologies. Our extensive technological capabilities supported by our strong research and development team, who brought rich experience in the fields of telecommunications, software development, AI and big data analytics.
- *Highly flexible solution driving powerful network effect*. Our strong ability to provide highly flexible solutions in a timely and cost-efficient manner gives us an edge over winning businesses from large companies. Through serving large companies, we have enriched our understanding of application scenarios, and have been continuously expanding our API and SDK pool over the years, which we believe further differentiates us from other players on this market.
- *A broad and high-quality client base with long-term relationships*. We have built a broad, high-quality and loyal client base across diverse industries and are the preferred choice of clients who are market leaders in their industries.
- *Proven, replicable go-to-market strategy*. We have focused on serving clients who are leaders in our targeted industries, providing them with versatile solutions and satisfactory services. By working with industry-leading clients, we prove that our solutions are capable of satisfying complex client demands and quickly accumulate valuable insights into industry best practice. With endorsement from top players, we believe we can effectively increase our penetration rate in the sector.
- *Committed, experienced and insightful management team and collaborative company culture inspiring teamwork*. We have assembled a senior management team who have on average over 14 years of experience in innovating customer contact solutions. We have also cultivated a collaborative company culture that inspires teamwork.

For further details, see "Business – Our Competitive Strengths."

OUR STRATEGIES

We intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities and further solidify our market position:

- Maintain our leadership in technology;
- Continue to optimize and expand our portfolio of solutions;
- Strategically expand our client base and deepen client relationship;
- Efficiently strengthen our sales and marketing capabilities;
- Explore opportunities in overseas markets; and
- Selectively pursue strategic acquisitions and investments.

For further details, see "Business – Our Growth Strategies."

SALES AND MARKETING

We sell our portfolio of solutions primarily through our in-house direct sales force with extensive professional experience and substantial knowledge about our solutions and technologies. As of December 31, 2021, our sales team consisted of 136 employees. Our sales force is specialized by customer region, size, and vertical sector and serves national and regional clients from offices in Beijing, Shanghai, Shenzhen, Guangzhou and Nanjing. Our sales model consists of a dedicated sales team that sells our solutions into larger opportunities primarily through continuous high-touch interactions with clients' key decision makers and a team that sells our solutions into smaller opportunities primarily through client referrals and lead conversion. We intend to further expand our sales force to drive new business opportunities. In addition, we leverage the word-of-mouth referrals by our existing clients and partners to achieve organic client acquisition and to expand our market presence in a cost-efficient manner.

To a lesser extent, we also use third-party agents to increase our sales, to whom we pay commission for client referrals. The key terms of our agreements with our third-party sales agents include:

- Duration of the agreement: We typically enter into one-year agreements with our third-party sales agents.
- Pricing terms: The commission expenses charged by third-party sales agents are negotiated on a case-by-case basis. The commission expenses may be based on i) a predetermined fee multiplied by the number of agent seats subscribed by the client referred to us, ii) a percentage of the revenue generated from the referred client during a predetermined period, or iii) a percentage of the recurring revenue generated from the referred client. We may also pay a negotiated lump sum fee for the referral.
- Payment terms: We are required to pay the agreed commission after we enter into service agreements with the referred clients and upon receipt of invoice.
- Credit terms: We are typically granted a credit term of 30 days to 90 days.

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 third-party sales agents.

Our strong brand recognition has been an important driving force for our sales. To strengthen our brand, we invest heavily in both online and offline marketing. We execute our online marketing strategy through both search engine marketing and search engine optimization. We also participate in and sponsor seminars, conferences and special events to raise our profile with potential clients.

See "Business – Sales and Marketing" for further details.

OUR CLIENTS, SUPPLIERS AND BUSINESS PARTNERS

Our clients represent enterprises across a broad array of sizes and industries. We have a large and diverse client base, representing enterprises across a broad array of sizes and industries. We served 2,227, 2,253 and 3,137 clients in 2019, 2020 and 2021, respectively. In 2019, 2020 and 2021, our top five clients accounted for 27.0%, 33.3% and 31.8% of our total revenue, respectively. During the same periods, our largest client accounted for approximately 7.8%, 8.7% and 8.2% of our total revenue, respectively. During the same periods, revenue from clients in the education industry accounted for 26.7%, 29.5% and 26.8% of our total revenue, respectively. In the foreseeable future, we expect clients from the technology, insurance and automobile industries to drive our business growth. See "Business – Our Clients" for further details.

Our suppliers consist primarily of cloud service providers and telecommunications companies. In 2019, 2020 and 2021, our top five suppliers accounted for 87.0%, 83.1% and 72.5% of our total cost of sales, respectively. During the same periods, our largest supplier accounted for approximately 63.8%, 41.4% and 36.5% of our total cost of sales, respectively. See "Business – Our Suppliers" for further details.

During the Track Record Period, we primarily worked with three cloud service providers. We believe that we maintain stable relationships with these three providers. Although we expect to be able to obtain similar services from other third parties, if our arrangements with these providers were terminated, we may incur additional expenses in arranging for alternative services. During the Track Record Period and up to the Latest Practicable Date, we encountered one prolonged service interruption on June 2, 2019, due to disruption in the service provided by a third-party cloud service provider. For risks associated with our suppliers, see "Risk Factors – Risks Related to Our Business and Industry – Our business relies on the telecommunications and cloud infrastructure operated by third parties and any disruption of or interference with our use of such third-party services would adversely affect our business, results of operations and financial condition."

One of our key product strategies is to enhance our integration with WeCom, the enterprise version of WeChat, which has become an increasingly popular communications platform for Chinese enterprises. We have entered into a cooperation agreement with WeCom and become one of their channel partners. For details of the cooperation, see "Business – Our Offerings – Key Modules and Functions – Integration with WeCom." WeCom is one of the channels where our clients and their customers interact. According to the CIC Report, communication platforms in general focus on building an ecosystem where third-party vendors can offer services such as customer contact solutions via their open protocol. According to the same source, they currently do not offer the key functions of customer contact solutions, such as IVR, ACD, CTI and predictive dialer, and the major platforms have not publicly disclosed any plans to develop such key technologies in their short-term investment strategies. With advice from CIC, we believe the likelihood that communication platforms such as WeCom will expand to offer cloud-based customer contact solutions is relatively low. However, if WeCom or other communication platforms that are more resourceful and technologically advanced make such a move in the future, market competition may be further intensified. For related risks, see "Risk Factors – Risks Related to Our Business and Industry – We may face competition from new market entrants, such as WeCom."

NETWORK, SYSTEM AND DATA SECURITY

In the PRC, governmental authorities have enacted a series of laws and regulations to enhance the protection of cybersecurity, data security and data privacy, which may be applicable to us. For example, on June 10, 2021, the SCNPC promulgated the Data Security Law (《數據安全法》), which came into effect on September 1, 2021 and imposes a range of compliance obligations for enterprises conducting data processing activities. Further, the Personal Information Protection Law was passed by the SCNPC on August 20, 2021 and entered into effect on November 1, 2021, which aims to protect personal information and regulate the processing of personal information. On December 28, 2021, the CAC and other regulatory authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), effective on February 15, 2022, seeking to further expand the applicable scope of cybersecurity review. According to Articles 5 and 7 of the Cybersecurity Review Measures, enterprises shall apply for cybersecurity review under the following circumstances: (i) critical information infrastructure operators purchasing network products and services and internet platform operators carrying out data processing activities in a manner which affects or may affect national security; and (ii) internet platform operators holding personal information of more than one million users and seeking a listing overseas. According to Article 16 of the Cybersecurity Review Measures, the competent PRC government authority may initiate cybersecurity review if the authority believes that any network product, service or data processing activity affects or is likely to affect national security. During the Track Record Period and up to the date of this document, we had not been notified by any authorities of being classified as a critical information infrastructure operator, neither had we been subject to any cybersecurity review, enquiry, investigation or notice by the Office of Cybersecurity Review. Further, despite the past and ongoing inspection work conducted by relevant authorities with respect to critical information infrastructure, as of the date of this document, we had never received any notice from any government authorities regarding such inspection. In March 2022, our PRC Legal Adviser conducted telephone consultation with the China Cybersecurity Review Technology and Certification Center through the hotline published on the CAC's official website. The official who answered the phone confirmed that the official belongs to the China Cybersecurity Review Technology and Certification Center, which, according to the Talks with Reporters Relating to Cybersecurity Review Measures (網信辦就《網路安全審查辦法》答記者問) published by the CAC, is entrusted with the specific task of cybersecurity review. Based on the foregoing, our PRC Legal Adviser is of the view that the official interviewed has the competent authority to respond to inquiries related to cybersecurity review. Our PRC Legal Adviser informed the official on the line of our name, principal business and the [**REDACTED**]. After being informed of such information, the official confirmed that: (i) a listing in Hong Kong does not fall within the definition of "listing overseas," and therefore a company need not file a cybersecurity review for its proposed listing in Hong Kong under

Article 7 of the Cybersecurity Review Measures; (ii) if a company had not been notified by competent authority of being classified as a critical information infrastructure operator, the company need not file an application for cybersecurity review under Article 5 of the Cybersecurity Review Measures; and (iii) if a company had never been subject to any cybersecurity review initiated by the CAC or other competent authorities, the company is not subject to cybersecurity review initiated under Article 16 of the Cybersecurity Review Measures for the time being. Based on the foregoing, our PRC Legal Adviser is of the view that we have not been classified as a critical information infrastructure operator by any relevant authorities and pursuant to currently effective laws and regulations, the likelihood that we will be classified as a critical information infrastructure operator in the near future after [**REDACTED**] is relatively remote. Therefore, our PRC Legal Adviser is of the view that we are currently not subject to cybersecurity review under the Cybersecurity Review Measures. Nevertheless, there remain uncertainties with respect to any future development of the relevant regulatory regime.

On November 14, 2021, the CAC published the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "Draft Cybersecurity Regulation," and together with the Cybersecurity Review Measures, the "Cybersecurity Regulations"), which governs the use of networks to carry out data processing activities, and the supervision and management of data security in the PRC. The Draft Cybersecurity Regulation mainly focuses on the data processing activities of data processors. Article 13 of the Draft Cybersecurity Regulation provides that, if a data processor's listing in Hong Kong affects or may affect national security, the data processor shall apply for cybersecurity review in accordance with relevant regulations. "Data processor" is defined as "an individual or organization that independently makes decisions on the purpose and manner of data processing activities" in the Draft Cybersecurity Regulation. We only provide reporting and data analytics tools for our clients' use and do not collect or utilize data stored on the cloud platforms. According to the service agreements entered into with our clients, we are not allowed to access, use or disclose any clients' data stored in the cloud, unless specifically requested and authorized by clients to carry out limited system maintenance and technical support services, which may include helping clients locate system failures, retrieve account names and passwords, change system settings, inspect abnormal login activities and rectify inappropriate operations by agents. Therefore, our PRC Legal Adviser is of the view that the foregoing activities of us are unlikely to be defined as "independently making decisions on the purpose and manner of data processing activities" and we are not subject to cybersecurity review under the Draft Cybersecurity Regulation, assuming it is implemented in its current form. In the phone consultation conducted in March 2022, our PRC Legal Adviser also inquired about the implications of the Draft Cybersecurity Regulation on us and the [**REDACTED**]. The authorities advised that no guidance or consultation with respect to the Draft Cybersecurity Regulation could be provided at this stage since the draft regulations have not yet been officially adopted into law.

Our PRC Legal Adviser advises that the Cybersecurity Regulations will not impose any material obligation on our business, assuming the Draft Cybersecurity Regulation is implemented in its current form. During the Track Record Period and up to the date of this document, we had not experienced any material incident of data or personal information leakage, infringement of data protection, investigation or other legal proceeding relating to data processing or data protection, or received any inquiry, notice, warning, punishment or sanctions relating to data processing or data protection that may materially adversely affect our business. Based on the foregoing, our PRC Legal Adviser is of the view that we comply with or will be able to comply with the Cybersecurity Regulations in all material aspects, assuming the Draft Cybersecurity Regulation is implemented in its current form. Therefore, our Directors believe, and our PRC Legal Adviser concurs, that the Cybersecurity Regulations would not have a material adverse impact on our business operations or our [**REDACTED**], assuming the Draft Cybersecurity Regulation is implemented in its current form.

As of the date of this document, the Draft Cybersecurity Regulation had not come into effect, and some of the requirements in the Cybersecurity Regulations are subject to more specific implementation rules. Since the current regulatory regime regarding data and cyber security is rapidly evolving, and the PRC government authorities may have wide discretion in the interpretation and enforcement of these laws, there can be no assurance that the relevant governmental authorities will ultimately take a view that is consistent with our PRC Legal Adviser's opinion stated above. However, we will continue to closely monitor the development of the Cybersecurity Regulations to ensure timely compliance with the latest regulatory requirements.

For related risks, see "Risk Factors – Risks Related to Our Business and Industry – Our business is subject to a variety of evolving laws and regulations regarding cybersecurity, data security and data privacy. Any failure of our platform to comply with applicable laws and regulations could harm our business, operating results and financial condition." For a detailed discussion of applicable laws and regulations regarding cybersecurity, data privacy, and data protection, see "Regulations – Regulations Relating to Cyber Security, Data Security and Privacy Protection – Cyber Security."

Our PRC Legal Adviser is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable cybersecurity, data security and data privacy laws and regulations in the PRC in all material aspects. For details of our cybersecurity, data security and data privacy mechanisms and policies, see "Business – Network, System and Data Security."

RECENT REGULATORY DEVELOPMENT

On December 24, 2021, the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments) (《國務院關於境內企業境外發行證券和上市的管理規定(草案徵求意見稿)》) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Enterprises (Draft for Comments) (《境內企業境外發行證券和上市備案管理辦法(徵求意見稿)》) (collectively, the "Draft Regulations on Listing") were released by the CSRC for public comments. Pursuant to the Draft Regulations on Listing, PRC domestic companies (including (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in the PRC and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests) that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC within three business days after submitting their listing application documents to the relevant regulator in the place of intended listing. At the press conference held for the Draft Regulations on Listing on December 24, 2021, the spokesperson from the CSRC clarified that the implementation of the Draft Regulations on Listing will follow the non-retroactive principle. However, the spokesperson of the CSRC did not clarify whether the non-retroactive principle is applicable to those company which have submitted the application for an initial public offering but have not yet been officially listed in Hong Kong. The Draft Regulations on Listing explicitly forbid overseas offerings and listings (i) that are explicitly prohibited by specific laws and regulations, (ii) that constitute threat to or endanger national security as reviewed and determined by competent authorities, (iii) that involve material ownership disputes, (iv) where the PRC domestic companies, their controlling shareholders or actual controllers are involved in certain criminal offences, (v) where the directors, supervisors and senior management of the issuer are involved in certain criminal offences or administrative penalties, and (vi) that are forbidden as determined by the State Council (together the "Forbidden Circumstances").

Based on the public search conducted by our PRC Legal Adviser and to the best of our knowledge, our **[REDACTED]** does not fall within any of the Forbidden Circumstances as of the Latest Practicable Date. Therefore, if the Draft Regulations on Listing become effective in their current form, subject to the specific filing procedures expected to be detailed in the subsequent implementation rules, we do not foresee any material impediment for us to comply with the Draft Regulations on Listing. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not received any inquiry, warning, or sanctions regarding the **[REDACTED]** or our corporate structure from the CSRC or any other PRC government authorities. Based on the foregoing and given that the Draft Regulations on Listing are still in draft form and have not come into effect, our PRC Legal Adviser is of the view that we are not required to go through the filing procedures with the CSRC under the Draft Regulations on Listing with respect to the Listing as of the Latest Practicable Date. Therefore, our Directors believe, and our PRC Legal Adviser concurs, that the Draft Overseas Listing Regulations will not have a material adverse impact on our business operations or the **[REDACTED]**.

However, the Draft Regulations on Listing were released for public comments only at this stage and their provisions and anticipated effective dates are subject to uncertainties, and their interpretation and implementation remain uncertain. We cannot fully predict the impact of the Draft Regulations on Listing on the **[REDACTED]**, if any, at this stage, and we will closely monitor and assess any development in the rule-making process.

On December 27, 2021, the NDRC and the MOFCOM promulgated the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》), or the Negative List, which became effective on January 1, 2022. Compared with the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (《外商投資准入特別管理措施(負面清單)(2020年版)》), or the 2020 Negative List, the main changes under the Negative List include, among others, the overseas securities offering and listing of a domestic enterprise shall be subject to the review and approval by the relevant regulatory authorities, if such domestic enterprise engages in the business prohibited for foreign investment under the Negative List. According to the public responses of relevant officials from the NDRC and the MOFCOM to the reporters' questions regarding the Negative List, the CSRC will take the lead in establishing an inter-departmental supervision and coordination mechanism for the overseas listing of domestic enterprises, and is currently advancing the revision of relevant rules and regulations. As disclosed in the section headed "Contractual Arrangements" in detail, to comply with the requirements of the Negative List, we conducted the business related to internet resource collaboration services, which is considered a business prohibited for foreign investment under the Negative List, through T&I Net Communication and its subsidiaries, based on a series of contractual arrangements by and among WFOE, T&I Net Communication and its shareholders. Article 6 of the Interpretation Note of the Negative List ("Article 6"), which is newly promulgated, provides that if a domestic company conducts business in the prohibited areas under the Negative List seeks to issue and list its shares overseas, it shall complete the examination process and obtain approval by the relevant competent authorities; foreign investors shall not participate in the operation and management of the company; its shareholding percentage shall be subject to the relevant provisions on the administration of domestic securities investment by foreign investors. On January 18, 2022, a press conference was held by the NDRC to further clarify Article 6, during which the spokesperson made it clear that Article 6 shall only apply to circumstances where domestic enterprises are seeking a direct overseas issuance and listing. Therefore, the requirements stipulated in Article 6 are currently not applicable to companies with a VIE structure, such as our Company. Based on the foregoing, our PRC Legal Adviser is of the view that we comply with the requirements under the Negative List, including Article 6, in all material aspects. As the Negative List was recently promulgated, its implementation is subject to uncertainties. We will closely monitor the regulatory developments and seek guidance from the relevant regulatory authorities if necessary to ensure compliance.

We will maintain ongoing communications with government authorities regarding latest developments and requirements of new regulations and take necessary and timely measures.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include:

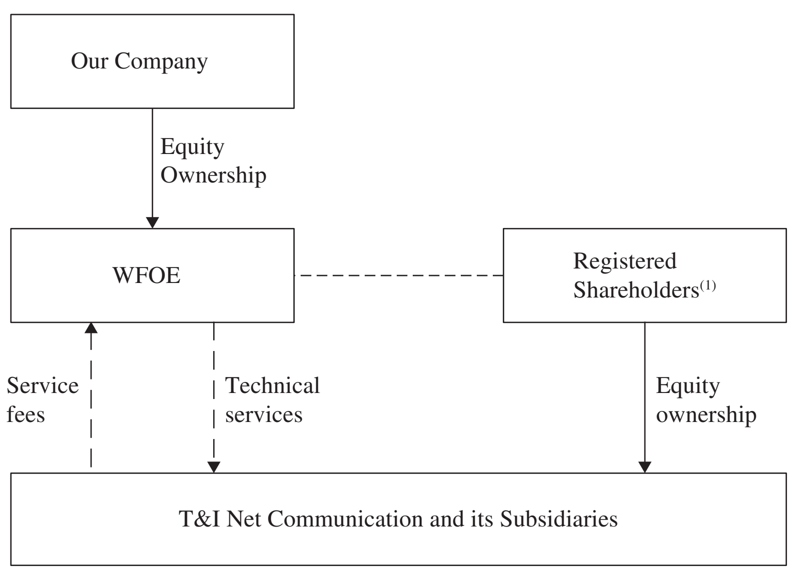
- If we fail to manage the growth and expansion of our business and operations, such as failing to expand the features and capabilities of our solutions, attract new clients and retain existing ones, or provide satisfactory client services, our revenue growth may not increase to offset our future operating expenses, and our results of operations, financial condition and growth prospects may be materially and adversely affected.
- The market in which we participate is highly competitive, and if we do not compete effectively, our operating results could be harmed.
- If we fail to improve and enhance the functions, performance, reliability, design, security, and scalability of our solutions to suit our clients' evolving needs, we may lose our clients.
- If we fail to attract new clients or retain existing ones, our business, results of operations and financial conditions could be materially and adversely affected.
- Recent regulatory changes have led to a significant decrease in our revenue from clients in the education industry.
- Our business is subject to system and data security risks, and our security measures may be inadequate to address these risks, making our systems susceptible to compromise, which could materially adversely affect our business, financial condition, results of operations, and prospects.

- Our business is subject to a variety of evolving laws and regulations regarding cybersecurity, data security and data privacy. Any failure of our platform to comply with applicable laws and regulations could harm our business, operating results and financial condition.
- We are subject to many hazards and operational risks that can disrupt our business.
- Our business relies on the telecommunications and cloud infrastructure operated by third parties and any disruption of or interference with our use of such third-party services would adversely affect our business, results of operations and financial condition.
- We may have insufficient transmission bandwidth, which could result in disruptions to our solutions and loss of revenue.
- The effects of the COVID-19 pandemic have materially affected how we and our clients are operating, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.
- If the cloud-based customer contact solutions market develops more slowly than we expect or declines, our business could be harmed.

CONTRACTUAL ARRANGEMENTS

We conducted our Principal Business through our Consolidated Affiliated Entities in the PRC as the PRC laws, or their implementation by relevant government authorities, generally prohibit or restrict foreign ownership in the business we operate. Currently, the PRC laws restrict foreign ownership of value-added telecommunications service providers.

After consultation with our PRC Legal Adviser, we have entered into contractual arrangements with T&I Net Communication and its shareholders and subsidiaries, through which we obtain effective control over T&I Net Communication and its subsidiaries and substantially all of the economic benefits arising from T&I Net Communication and its subsidiaries. Meanwhile, we are able to consolidate the financial results of T&I Net Communication and its subsidiaries in our results of operations. The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

(1) The current Registered Shareholders of T&I Net Communication include Mr. Wu, Beijing Tianchuang Chuangrun, Beijing Yunjing, Beijing Yunhao, Mr. LI Jin (李晉) ("**Mr. Li**"), Mr. PAN Wei (潘威) ("**Mr. Pan**"), Mr. AN Jingbo (安靜波) ("**Mr. An**") and Beijing Yunyu. For further information about the registered shareholders, please refer to "History, Reorganization and Corporate Structure."

(2) "→" denotes direct legal and beneficial ownership in the equity interest.

(3) "---▸" denotes contractual relationship.

(4) "---" denotes the control by WFOE over the Registered Shareholders and T&I Net Communication through (i) powers of attorney to exercise all shareholders' rights in T&I Net Communication, (ii) exclusive options to acquire all or part of the equity interests in T&I Net Communication and (iii) equity pledges over the equity interests in T&I Net Communication.

For the risks and further details regarding the Contractual Arrangements, see the sections headed "Risk Factors – Risks Related to Our Corporate Structure" and "Contractual Arrangements." For the potential tax impact on the Group upon the adoption of the Contractual Arrangements, please see the section headed "Risk Factors – Risks Related to Our Corporate Structure – Contractual arrangements we have entered into with T&I Net Communication may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of your [**REDACTED**]."

CONTROLLING SHAREHOLDERS

Immediately upon completion of the [**REDACTED**] (without taking into account any Shares to be allotted and issued upon the exercise of the [**REDACTED**]), the group of Controlling Shareholders will be interested in and will control, through the Intermediary Shareholders, Principal Shareholders and deeds of voting proxy as described in the section headed "History, Reorganization and Corporate Structure – Deeds of Voting Proxy," an aggregate of [49.72]% of equity interest in our Company. Accordingly, Mr. Wu, Mr. Pan, Mr. Li, Mr. An, Intermediary Shareholders and Principal Shareholders will remain as our Controlling Shareholders after the [**REDACTED**]. For further details of our Controlling Shareholders, see "Relationship with the Controlling Shareholders."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

We achieved steady growth during the Track Record Period. Our total revenue increased at a CAGR of 9.6% from RMB334.8 million in 2019 to RMB401.9 million in 2021, of which 97.2% and 92.2% were generated from our SaaS solutions that are of a recurring nature. Our gross profit increased at a CAGR of 8.3% from RMB155.9 million in 2019 to RMB182.7 million in 2021. Our profit for the year increased by 18.6% from RMB59.1 million in 2019 to RMB70.2 million in 2020, primarily due to the increases in revenues generated from both of our SaaS solutions and VPC solutions as a result of our continuous business expansion, while our cost of sales remained stable. In 2021, our profit for the year decreased to RMB17.8 million, primarily due to (i) a lower-than-expected revenue from education clients whose businesses were adversely affected by the recently promulgated regulations that crack down on after-school tutoring services on academic subjects in China's compulsory education system, coupled with an increased cost of sales, (ii) a significant increase in professional service fees in relation to the [**REDACTED**] on the ChiNext Board and the [**REDACTED**], (iii) the increases in selling and distribution expenses and research and development expenses incurred in 2021 to implement our business plan, and (iv) an increase in employee benefit expenses as we were no longer exempt from making employer contribution to employee social security schemes in 2021. As of December 31, 2021, we had achieved profitability for seven consecutive years.

Summary of Consolidated Statements of Comprehensive Income

The following tables set forth a summary of the financial information from our consolidated financial information for the Track Record Period, with line items in absolute amounts and as percentages of our revenue for the periods indicated, extracted from the Accountants' Report set out in Appendix I. The summary of consolidated financial data set forth below should be read together in conjunction with the consolidated financial statements in this document, including the related notes. The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

	For the Year Ended December 31,					
	2019		2020		2021	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Summary Consolidated Statements of Comprehensive Income Data:						
Revenue	334,813	100.0	353,744	100.0	401,897	100.0
Cost of sales	(178,930)	(53.4)	(178,305)	(50.4)	(219,194)	(54.5)
Gross profit	155,883	46.6	175,439	49.6	182,703	45.5
Other income and gains	8,845	2.6	14,062	4.0	8,287	2.1
Selling and distribution expenses	(44,163)	(13.2)	(50,360)	(14.2)	(71,335)	(17.7)

	For the Year Ended December 31,					
	2019		2020		2021	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Administrative expenses	(16,151)	(4.8)	(18,776)	(5.3)	(42,977)	(10.7)
Research and development expenses	(37,066)	(11.1)	(38,523)	(10.9)	(53,840)	(13.4)
Impairment losses on financial assets	(812)	(0.2)	(1,883)	(0.5)	(3,423)	(0.9)
Other expenses and losses	(283)	(0.1)	(627)	(0.2)	(293)	(0.1)
Finance costs	(757)	(0.2)	(677)	(0.2)	(636)	(0.2)
Profit before tax	65,496	19.6	78,655	22.2	18,486	4.6
Income tax expenses	(6,351)	(1.9)	(8,488)	(2.4)	(668)	(0.2)
Profit for the year	59,145	17.7	70,167	19.8	17,818	4.4
Earnings per share Basic and diluted *(RMB)*	N/A	N/A	N/A	N/A	N/A	N/A
Profit for the year	59,145	17.7	70,167	19.8	17,818	4.4
Other comprehensive income						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Equity investments designated at fair value through other comprehensive income:						
Changes in fair value	519	0.2	108	0.0	–	–
Income tax effect	(78)	(0.0)	(16)	(0.0)	–	–
Exchange differences on translation of the financial statements of the Company	–	–	–	–	153	0.0
Other comprehensive income for the year, net of tax	441	0.1	92	0.0	153	0.0
Total comprehensive income for the year	59,586	17.8	70,259	19.9	17,971	4.5

Business

The following table sets forth our revenues by businesses for the periods indicated.

	For the Year Ended December 31,					
	2019		2020		2021	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Total revenue:						
SaaS solutions	325,328	97.2	341,197	96.4	370,738	92.2
VPC solutions	708	0.2	5,927	1.7	21,298	5.3
Other services and product sales	8,777	2.6	6,620	1.9	9,861	2.5
Total	334,813	100.0	353,744	100.0	401,897	100.0

During the Track Record Period, revenue derived from our SaaS solutions grew steadily from RMB325.3 million in 2019 to RMB341.2 million in 2020, and further to RMB370.7 million in 2021.

VPC solutions are a fast-growing business that only started to generate revenue in 2019. Revenue from our VPC solutions consists of (i) software licensing fees and (ii) revenue from customization services. Revenue from our VPC solutions increased rapidly from RMB708 thousand in 2019 to RMB21.3 million in 2021.

In the Track Record Period, revenue from other services and product sales consisted of revenue from provision of services and sale of goods ancillary to our customer contact solutions to satisfy certain ad hoc request from our existing clients. Goods sold primarily included telecommunication equipment, and services provided primarily included certain telecommunication services. We expect other revenue to remain as an immaterial portion of our total revenue in the foreseeable future. See "Financial Information – Description of Major Components of Our Results of Operations – Revenues" for a detailed discussion of revenues incurred by each business.

The following table sets forth our gross profit both in absolute amount and as a percentage of the corresponding revenue, or gross margin, by businesses for the periods indicated.

	For the Year Ended December 31,					
	2019		2020		2021	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
SaaS solutions	152,240	46.8	169,444	49.7	167,235	45.1
VPC solutions	508	71.8	3,247	54.8	11,453	53.8
Other services and product sales	3,135	35.7	2,748	41.5	4,015	40.7
Total	155,883	46.6	175,439	49.6	182,703	45.5

See "Financial Information – Description of Major Components of Our Results of Operations – Gross Profit and Gross Margin" for a detailed discussion of the profitability of each business.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2019	2020	2021
	(RMB in thousands)		
Non-current assets:			
Property, plant and equipment	4,484	3,139	3,611
Right-of-use assets	12,717	12,305	7,781
Other intangible assets	2,816	2,778	2,971
Prepayments for property, plant and equipment	–	347	–
Equity investments designated at fair value through other comprehensive income	8,069	8,177	–
Deferred tax assets	–	184	707
Total non-current assets	28,086	26,930	15,070
Current assets:			
Trade receivables	48,353	75,218	64,388
Contract assets	–	277	2,214
Prepayments, other receivables and other assets	6,247	6,916	12,695
Prepaid tax	3,476	–	2,286
Financial investments at fair value through profit or loss	155,808	151,237	31,227
Cash and cash equivalents	17,741	32,953	152,545
Pledged deposits	–	–	21,293
Total current assets	231,625	266,601	286,648
Non-current liabilities:			
Lease liabilities	8,444	6,378	2,709
Deferred tax liabilities	18	–	–
Current liabilities:			
Interest-bearing bank borrowings	–	–	10,520
Trade payables	20,483	13,924	15,740
Contract liabilities	22,740	18,133	22,716
Other payables and accruals	15,550	19,646	22,862
Lease liabilities	4,630	6,513	5,281
Tax payable	450	935	419
Total current liabilities	63,853	59,151	77,538
Net current assets	167,772	207,450	209,110
Share capital	–	–	98
Reserves	187,396	228,002	221,373
Total equity	187,396	228,002	221,471
Total equity and liabilities	259,711	293,531	301,718

We had net current assets of RMB167.8 million, RMB207.5 million and RMB209.1 million as of December 31, 2019, 2020 and 2021, respectively. Our net current assets position as of each of these dates was primarily attributable to our large balance of cash and cash equivalents and financial investments at fair value through profit or loss, partially offset by our contract liabilities and other payables and accruals.

Our net current assets increased from RMB167.8 million as of December 31, 2019 to RMB207.5 million as of December 31, 2020, primarily due to an increase of RMB26.9 million in trade receivables, an increase of RMB15.2 million in cash and cash equivalents, a decrease of RMB6.6 million in trade payables and a decrease of RMB4.6 million in contract liabilities, which were partially offset by a decrease of RMB4.6 million in financial investments at fair value through profit or loss in 2020.

Our net current assets changed slightly from RMB207.5 million as of December 31, 2020 to RMB209.1 million as of December 31, 2021, primarily due to an increase in cash and cash equivalents of RMB119.6 million and an increase in prepayments, other receivables and other assets of RMB5.8 million, which was partially offset by a decrease in financial investments at fair value through profit or loss of RMB120.0 million, mainly as a result of our disposal of certain wealth management products and structured deposits.

For further details, see "Financial Information – Discussion of Certain Key Balance Sheet Items."

Summary of Consolidated Statements of Cash Flows

	For the Year Ended December 31,		
	2019	2020	2021
	(RMB in thousands)		
Cash generated from operations	71,639	44,663	41,304
Interest paid	(757)	(677)	(636)
Corporate income tax paid	(15,360)	(4,745)	(3,993)
Net cash flows generated from operating activities	55,522	39,241	36,675
Net cash flows (used in)/generated from investing activities	(112,394)	9,013	128,788
Net cash flows used in financing activities	(24,703)	(33,042)	(45,870)
Net increase/(decrease) in cash and cash equivalents	(81,575)	15,212	119,593
Cash and cash equivalents at beginning of year	99,316	17,741	32,953
Effect of foreign exchange rate changes, net	–	–	(1)
Cash and cash equivalents at end of year	17,741	32,953	152,545

We have historically funded our cash requirements principally from cash generated from our business operations. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations, the net [**REDACTED**] from the [**REDACTED**], and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB17.7 million, RMB33.0 million and RMB152.5 million as of December 31, 2019, 2020 and 2021, respectively. For further details, see "Financial Information – Liquidity and Capital Resources."

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the Year Ended December 31,		
	2019	2020	2021
Total revenue growth (%)	N/A	5.7	13.6
SaaS solutions (%)	N/A	4.9	8.7
VPC solutions (%)	N/A	737.1	259.3
Other services and product sales (%)	N/A	(24.6)	49.0
Gross margin (%)	46.6	49.6	45.5
SaaS solutions (%)	46.8	49.7	45.1
VPC solutions (%)	71.8	54.8	53.8
Other services and product sales (%)	35.7	41.5	40.7

During the Track Record Period, we recorded a significant revenue growth of our VPC solutions by 737.1% from RMB708 thousand in 2019 to RMB5.9 million in 2020, and further increased by 259.3% to RMB21.3 million in 2021. This growth was primarily driven by the growing demand for deployment of customer contact solutions on virtual private cloud from clients with stricter security requirements during their digital and cloud transformation. For details, see "Financial Information – Description of Major Components of Our Results of Operations."

Our overall gross margin increased from 46.6% in 2019 to 49.6% in 2020 primarily attributable to higher pricing level applied to certain newly acquired clients in 2020. As our key accounts deepen their business relationships with us and increase their purchases from us, they typically request to lower our service price. Therefore, the pricing level applied to newly acquired clients is usually higher than those applied to clients with which we have a long cooperation history. To a lesser extent, the increase in gross margin in 2020 was also attributable to the growth of revenue from our VPC solutions in 2020. Due to their different revenue and cost model, our VPC solutions on average have a higher gross margin compared to our SaaS solutions and other services and product sales. Our VPC solutions are designed based on the software used in our SaaS solutions. We make customizations upon the request of clients, or deploy standardized solutions in VPCs absent specific requests. The gross margin for the latter portion is relatively high as we incur less costs in connection with implementation personnel. During the Track Record Period, our VPC clients primarily purchased cloud and telecommunications services directly from cloud service providers and telecommunications companies, respectively. Therefore, these services were not included in our cost of sales. Our overall gross margin decreased from 49.6% in 2020 to 45.5% in 2021, primarily because we purchased a larger pool of telecommunication resources, including telephone numbers, dedicated leased lines and internet broadband, in anticipation of increasing client demand in the second half of 2021. However, the client demand in the second half of 2021 was lower than expected due to the recent development in the PRC laws and regulations that affected the business performance of our clients who are Academic AST Institutions. As a result, our revenue growth was negatively impacted, while our cost of sales increased and the average utilization rate of telecommunication resources was lowered. We may adjust our price offered for clients from time to time based on various considerations, including, among other things, the market conditions, competition landscape and strategic value of the contracts in question. While such adjustments may affect our gross profit margin, we expect our overall gross profit margin to remain stable in the foreseeable future as we continue to enlarge and diversify our client base.

RECENT DEVELOPMENT

During the Track Record Period, clients in the education industry contributed to a significant portion of our revenue. In 2019, 2020 and 2021, revenue from these clients amounted to RMB89.5 million, RMB104.4 million and RMB107.8 million, respectively, accounting for 26.7%, 29.5% and 26.8% of our total revenue. The revenue increases were primarily driven by the robust growth of the business of education companies prior to June 30, 2021. In July 2021, the General Office of the CPC Central Committee and the General Office of the State Council issued the Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education (《關於進一步減輕義務教育階段學生作業負擔和校外培訓負擔的意見》) (the "Opinion"), which contains high-level policy directives about requirements and restrictions related to, among others, institutions providing after-school tutoring services on academic subjects in China's compulsory education system, or Academic AST Institutions. Subsequently, local education authorities started to promulgate implementation measures of the Opinion.

In 2019, 2020 and 2021, we had 25, 26, and 34 clients who are Academic AST Institutions, respectively. During the same periods, these clients contributed to 16.2%, 18.9% and 16.9% of our total revenue, respectively. In the second half of 2021, Academic AST Institutions significantly reduced their business activities as well as their demand for customer contact solutions. As a result, we had a significant decrease in the revenue from education companies for the second half of 2021, and our total revenue and gross profit in 2021 was negatively impacted. For details of the related risks, see "Risk Factors – Risks Related to Our Business and Industry – Recent regulatory changes have led to a significant decrease in our revenue from clients in the education industry." The below table sets forth the revenue contributed by clients in the education industry in absolute amounts and as a percentage of our total revenue in each month between July 2021 and April 2022 based on our unaudited management accounts.

	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022
Revenue (RMB in millions)	12.2	7.9	5.1	3.9	4.1	4.7	3.9	3.1	3.5	3.4
Revenue contribution (%)	35.0	24.3	17.4	13.2	12.2	14.4	13.8	12.2	9.2	10.3

The below table sets forth the revenue contributed by clients who are Academic AST Institutions in absolute amounts and as a percentage of our total revenue in each month between July 2021 and April 2022 based on our unaudited management accounts. Many of these clients also provide vocational and quality education services in addition to after-school tutoring services on academic subjects. The below figures account for the total revenue generated from such clients based on our unaudited management accounts.

	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022
Revenue (RMB in millions)	10.0	5.6	3.4	2.3	1.4	1.4	1.3	0.9	1.0	1.0
Revenue contribution (%)	28.8	17.2	11.5	7.7	4.1	4.3	4.5	3.5	2.6	2.9

Revenue contribution from clients in the education industry is usually lower in February each year, since (a) February is the shortest month of the year and has fewer working days due to the Spring Festival, and (b) schools are closed during winter break in most of February. As demonstrated by the changes in revenue contribution shown in the above table, we believe that the impact of the Opinion on our business had been on a decreasing trend subsequent to the Track Record Period. We expect the revenue contributed by clients in the education industry to continue to decrease in 2022, primarily driven by the forecasted decrease in revenue generated from Academic AST Institutions in line with the implementation of the Opinion. Considering the uncertainties involved in the regulatory regime of the education industry, we foresee the revenue contributed by clients in the education industry to decrease at a slow pace beyond 2022.

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to implement our development strategies. Since the second half of 2021, certain regions in China have experienced a resurgence of COVID-19. Stringent social distancing restrictions have been imposed in cities where we or our clients have operations, including Shanghai, Beijing and Shenzhen. For details, see "Financial Information – Impact of COVID-19." Based on our unaudited management accounts, we recorded a decrease in our revenue for four months ended April 30, 2022 compared to the same period in 2021, primarily due to a decrease in revenue generated by clients in the education industry, which was partially offset by increases in revenue generated by clients in other industries, in particular the automobile industry. In January, February, March and April 2022, we served a total of 2,048, 2,056, 2,140 and 2,130 clients, respectively, representing a decrease by 5.4%, 5.0%, 1.2% and 1.7% as compared to December 2021.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2021, being the end date of our latest audited financial statements, and there has been no event since December 31, 2021 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

IMPACT OF COVID-19

Since the end of December 2019, the outbreak of a novel strain of coronavirus, or COVID-19, has materially and adversely affected the Chinese and global economy. In response to COVID-19, including the resurgence of COVID-19 in China since the second half of 2021, the PRC government has imposed mandatory quarantine, closure of workplaces and facilities, travel restriction and other related measures in various regions at different times. These measures caused a decline in the business activities in China in general, which in turn has had a negative impact on the demand of businesses for customer contact solutions, particularly during the lockdown in the first half of 2020.

COVID-19 has caused temporary disruptions to our business operations to varying degrees. For further details of the impact as a result of COVID-19, see "Financial Information – Impact of COVID-19."

In general, due to the cloud nature of our solutions, our ability to provide services was not hindered by the lockdown and travel restrictions implemented to combat the COVID-19. Since the outbreak, we have not encountered any disruption in our IT infrastructure and have been and expect to be able to discharge our obligations under contracts with clients. Thanks to the preventive measures we have implemented, we successfully kept our business operations from material disruption during the outbreak and avoided any materials impact on the implementation of our business plans. In response to the fact that the travel restriction slowed down the pace of our client acquisition in 2020, we have been proactively mobilizing internal resources and leveraging our strong technological capabilities to mitigate the impact of COVID-19. We supported our clients and helped them tackle the challenges presented by the pandemic by providing reliable, quality solutions and services. For example, faced explosive customer demand in 2020, companies from online education industry were in urgent needs for solutions that could help them manage the surge in business volume remotely during the pandemic. To meet such needs, we quickly developed features and added functionalities to our Agile Agent Solutions, helping increase their operational transparency and efficiency. As a result, we had a healthy growth of revenue from our key accounts in 2020, achieving a dollar-based net retention rate of 114.6% for key accounts. Such growth was partially offset by the decreases in revenues from clients in travel and used car industries and from certain small- and medium-sized clients. Hence, despite the temporary disruption caused by COVID-19, we are able to sustain a steady growth in 2020. Our revenue increased by 5.7% from RMB334.8 million in 2019 to RMB353.7 million in 2020, and our profit for the year increased by 18.6% from RMB59.1 million in 2019 to RMB70.2 million 2020.

Since the second half of 2021, certain regions in China have experienced a resurgence of COVID-19 and the commercial activities in these regions have been negatively impacted at varying degrees. Stringent social distancing restrictions have been imposed in cities where we or our clients have operations, including Shanghai, Beijing and Shenzhen. In particular, a city-wide lock-down policy was in place in Shanghai, where our third largest office is located, between late March and late May of 2022. Further, the authorities in Beijing, where our headquarters are located, have tightened the restrictions on social activities since early May 2022, requiring residents in the city's worst-hit districts to work from home, suspending public transportation in certain areas and carrying out multiple daily mass testings. Owing to the cloud-based nature of our solutions and the recurring nature of our SaaS revenue, generally our business was not negatively impacted by the recent COVID-19 resurgence, except for a small percentage of our clients whose business activities were negatively affected, leading to their reduced usage of our solutions. For clients with offices in the affected areas, travel restrictions and stay-at-home orders may prevent their customer service agents from working at physical contact centers. For clients such as those in the logistics and transportation industry, transportation restrictions in the affected areas may hinder their ability to conduct normal operating activities, and their frequency of using our solutions to provide notifications and customer services reduced in line with lower business volume. Further, as of the Latest Practicable Date, in accordance with the social distancing policies, some of our employees, including 3% of our employees based in Shanghai and 9% of our employees in Beijing, worked from home, and business travels were restricted in the affected areas, which adversely affected our business development activities. Based on our unaudited management accounts, for the four months ended April 30, 2022, while our revenue generated from the education industry substantially decreased due to the impact of the Opinion, our revenue generated from other industries achieved steady growth when compared to the same period in 2021.

There remains significant uncertainties associated with COVID-19, including with respect to the ultimate spread of the virus, the severity and duration of the pandemic and further actions that may be taken by governmental authorities around the world to contain the virus, and the full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, cash flows and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. If prolonged COVID-19 restrictions are imposed at a large scale in China, our ability to develop new clients and maintain relationships with existing clients will be adversely impacted. If such restrictions lead to a general decline in economic conditions and commercial activities, the business of our clients will be negatively affected and our business performance will suffer as a result. Based on the present situation and the information currently available to us, we expect our revenue growth in 2022 to slow down as compared to the growth rate we achieved in 2021. See "Risk Factors – Risks Related to Our Business and Industry – The effects of the COVID-19 pandemic have materially affected how we and our clients are operating, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain."

DIVIDENDS

As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will depend on the dividends, loans or advances that we receive from our subsidiaries, T&I Net Communication and its subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

No dividends have been paid or declared by our Cayman holding company since its incorporation. T&I Net Communication, our variable interest entity in the PRC, had declared dividends of RMB20,664,000, RMB30,996,000 and RMB25,830,000 to its then shareholders in 2019, 2020 and 2021, respectively. The dividends were fully paid in cash in July 2019, November 2020 and May 2021, respectively. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

[**REDACTED**]

[**REDACTED**] STATISTICS

All statistics in the following table are based on the assumptions that: (i) the [**REDACTED**] has been completed and [**REDACTED**] Shares are issued pursuant to the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are issued and outstanding following the completion of the [**REDACTED**].

	Based on an [REDACTED] of [REDACTED] per [REDACTED]	**Based on an [REDACTED] of [REDACTED] per [REDACTED]**
Market capitalization immediately after the [**REDACTED**](1)	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share(2)	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] shares expected to be in issue immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible asset per Share as of December 31, 2021 is calculated after making the adjustments referred to in "Appendix II – Unaudited [**REDACTED**] Financial Information."

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commissions, and other fees incurred in connection with the [**REDACTED**]. The estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]), accounting for approximately [**REDACTED**]% of our gross [**REDACTED**]. We may also in our sole and absolute discretion pay one or more of the

[**REDACTED**] an additional discretionary incentive fee of up to [**REDACTED**]% of the [**REDACTED**] for each [**REDACTED**] Share. The following table sets forth the breakdown of our estimated [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised):

	RMB	HK$
	(in thousands)	
Estimated [REDACTED] Expenses:		
[REDACTED]-related expenses	[REDACTED]	[REDACTED]
Non-[REDACTED]-related expenses	[REDACTED]	[REDACTED]
Fees and expenses of legal advisers and accountants	[REDACTED]	[REDACTED]
Other fees and expenses	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) of the estimated [**REDACTED**] expenses is directly attributable to the [**REDACTED**] of [**REDACTED**] Shares to the [**REDACTED**] and will be account for as a deduction from equity upon completion of the [**REDACTED**]. The remaining estimated [**REDACTED**] expenses of approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) was or will be charged to profit or loss, of which [**REDACTED**], [**REDACTED**], and RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) were charged in the years ended December 31, 2019, 2020 and 2021, respectively. Approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) is expected to be charged in profit or loss before or upon completion of the [**REDACTED**]. This calculation is subject to adjustment based on the actual amount incurred or to be incurred.

USE OF [REDACTED]

The table below sets forth the estimated net [**REDACTED**] of the [**REDACTED**] which we will receive after deduction of [**REDACTED**] fees and commissions and estimated expenses payable by us in connection with the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] stated in this document)	HK$[**REDACTED**]
Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the high end of the [**REDACTED**] stated in this document)	HK$[**REDACTED**]
Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the [**REDACTED**] stated in this document)	HK$[**REDACTED**]

We intend to use the net [**REDACTED**] over the next five years as follows (based on the mid-point of the [**REDACTED**] stated in this document):

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to further enhance our core technologies, optimize existing portfolio of solutions and develop complementary solutions with a goal to satisfy evolving client needs, provide more comprehensive solutions and improve our overall competitiveness in the market of customer contact solutions;
- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over the next five years to further enhance our brand image in the market for customer contact solutions, expand our direct sales team, improve our sales capabilities and increase our marketing efforts;
- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

The above allocation of the [**REDACTED**] will be adjusted on a pro-rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the estimated [**REDACTED**].

To the extent that the net [**REDACTED**] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, we plan to invest the net [**REDACTED**] in short-term demand deposits with licensed banks or authorized financial institutions. We will make an appropriate announcement if there is any change to the above proposed use of [**REDACTED**] or if any amount of the [**REDACTED**] will be used for general corporate purpose.

We estimate the net [**REDACTED**] to the [**REDACTED**] from the sale of [**REDACTED**] pursuant to the [**REDACTED**] to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**]), after deducting the [**REDACTED**] and estimated related expenses payable by the [**REDACTED**]. We will not receive net [**REDACTED**] from the sale of [**REDACTED**] pursuant to the [**REDACTED**].

For further details, see "Future Plans and Use of [**REDACTED**]."