七牛智能

Qiniu Limited
七牛智能科技有限公司

(Incorporated in the British Virgin Islands and
re-domiciled and continued in the Cayman Islands with limited liability)

Stock Code: 2567

2025
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Xu Shiwei *(Chairman and Chief Executive Officer)*
Ms. Chen Yiling *(Chief Operating Officer)*

Non-executive Director

Mr. Lyu Guihua

Independent Non-executive Directors

Mr. Wei Shaojun
Dr. Shi Qing
Mr. Zhou Zheng

AUDIT COMMITTEE

Mr. Zhou Zheng *(Chairman)*
Dr. Shi Qing
Mr. Wei Shaojun

REMUNERATION COMMITTEE

Dr. Shi Qing *(Chairman)*
Mr. Xu Shiwei
Mr. Wei Shaojun
Mr. Zhou Zheng

NOMINATION COMMITTEE

Mr. Xu Shiwei *(Chairman)*
Ms. Chen Yiling (appointed on May 28, 2025)
Mr. Wei Shaojun
Dr. Shi Qing
Mr. Zhou Zheng

AUTHORIZED REPRESENTATIVES PURSUANT TO RULE 3.05 OF THE LISTING RULES

Mr. Xu Shiwei
Ms. Leung Kwan Wai (appointed on July 31, 2025)
Ms. Ho Sin Tung (appointed on January 20, 2025 and resigned on July 31, 2025)
Ms. Tam Sze Wai Sara (resigned on January 20, 2025)

JOINT COMPANY SECRETARIES

Mr. Zhang Yuanhao
Ms. Leung Kwan Wai (appointed on July 31, 2025)
Ms. Ho Sin Tung (appointed on January 20, 2025 and resigned on July 31, 2025)
Ms. Tam Sze Wai Sara (resigned on January 20, 2025)

LEGAL ADVISOR

As to Hong Kong laws
Jia Yuan Law Office
Suites 3502-3503, 35/F
One Exchange Square
8 Connaught Place
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under
the Accounting and Financial Reporting Council Ordinance
27/F, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

COMPLIANCE ADVISOR

Shenwan Hongyuan Capital (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East, Hong Kong

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

HEADQUARTERS

Building 19, Zhangjiang AI Island
No. 55 Chuanhe Road
Pudong New District
Shanghai, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1928, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Shanghai Pudong Development Bank, Yangpu Branch
1296 Xuchang Road
Yangpu District
Shanghai, PRC

China Merchants Bank Co., Ltd., Shanghai Branch
Changle Sub-branch
801 Changle Road
Xuhui District
Shanghai, PRC

Bank of China, Shanghai, Pudong Branch
838 Zhang Yang Road
Pudong New District
Shanghai, PRC

CITIC Bank Shanghai Branch
Shanghai City East Sub-branch
No.136 Siping Rd
F block
Shanghai, PRC

STOCK CODE

2567

COMPANY WEBSITE

www.qiniu.ltd

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2025	2024	Year-on-year change
	(RMB in millions, except percentage)		
Revenue	**1,768.7**	1,437.0	23.1%
Gross profit	**326.6**	283.8	15.1%
Loss before income tax	**(57.5)**	(459.3)	-87.5%
Loss for the year	**(57.9)**	(459.4)	-87.4%
Adjusted net loss	**(49.6)**	(127.0)	-60.9%
Adjusted EBITDA	**0.9**	(71.1)	N/A

	Year ended December 31,				
	2025	2024	2023	2022	2021
	(RMB in millions)				
Revenue	**1,768.7**	1,437.0	1,334.0	1,147.3	1,471.0
Gross profit	**326.6**	283.8	280.2	228.6	291.2
Loss before income tax	**(57.5)**	(459.3)	(324.1)	(212.8)	(219.7)
Loss for the year	**(57.9)**	(459.4)	(324.1)	(212.8)	(219.7)
Adjusted net loss	**(49.6)**	(127.0)	(115.6)	(118.7)	(105.7)
Adjusted EBITDA	**0.9**	(71.1)	(44.2)	(20.0)	(11.6)

	December 31,				
	2025	2024	2023	2022	2021
	(RMB in thousands)				
Non-current assets	**179,909**	203,633	237,806	350,792	396,277
Current assets	**960,833**	998,667	621,974	553,290	688,776
Current liabilities	**770,217**	752,196	3,872,333	3,569,959	3,290,190
Non-current liabilities	**11,014**	14,625	2,845	10,301	33,216
Total equity attributable to owners of the parent/ (deficiency in equity)	**359,512**	435,479	(3,015,398)	(2,676,178)	(2,238,353)

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present this annual report and report the Group's annual results for the year ended December 31, 2025.

In 2025, the global artificial intelligence industry entered a pivotal inflection point that will define the next decade. With large-model capabilities crossing the "capability singularity," AI has evolved from a standalone tool into the intelligent hub underpinning enterprise operations. Industry competition has also shifted from a one-dimensional contest over model parameter scale to a full-spectrum rivalry centered on agent ecosystems, engineering paradigms, and value creation capabilities. Within this transformative depth, we observe three clear technological trajectories:

First, the explosive growth in inference demand is reshaping the computing power landscape. Continuous iteration of high-performance open-source large models, represented by DeepSeek, combined with the nonlinear expansion of Token consumption driven by agents, is propelling global inference computing demand into a new era. In early 2026, China's share of Token consumption on global developer platforms surpassed that of U.S. models for the first time, with weekly processing volumes reaching 5.3 trillion Tokens. This milestone confirms that a historic redistribution of industrial dividends is underway.

Second, AI application paradigms are shifting comprehensively from dialog-based interaction to autonomous agent workflows. Marked by the emergence of OpenClaw, the era of AI Agents has officially arrived – end-to-end autonomous task execution, spanning perception, planning, execution, and reflection, has replaced simple Q&A interactions. Gartner forecasts that by 2026, more than 40% of enterprise applications will integrate task-oriented AI Agents, representing an eightfold increase in penetration compared to the prior year. The massive Token invocations and API requests triggered by agent execution will impose entirely new and highly demanding requirements on underlying infrastructure.

Third, the rise of the "One-Person Company" is reshaping commercial production relations. Individuals, empowered by multi-agent clusters, can now accomplish full-chain tasks that previously required teams of hundreds. AI has evolved from a tool for efficiency enhancement into infrastructure for reconfiguring production relations. This transformation opens up a trillion-dollar opportunity for the individual economy and profoundly stimulates new demand within the developer community.

Since its founding in 2011, Qiniu has deeply cultivated audiovisual cloud storage, data storage and distribution, and real-time response. The Company's fifteen years of accumulated high-performance edge access capabilities naturally align with inference scenarios' core requirements for low latency, high concurrency, and high throughput. Its neutral API routing and model scheduling capabilities precisely capture the traffic gateways of Token consumption growth. Furthermore, the robust ecosystem of 1.8 million developers forms the most solid user base for embracing the Agent era. These accumulated strengths are accelerating Qiniu's strategic leap from an audiovisual data container to an AI computing hub and engineering execution foundation.

Key Progress: Fully Embracing AI to Build Developer Mindshare and Agent Infrastructure Capabilities

In 2025, the Company continued to strengthen its platformization, standardization, and neutrality capabilities to address the engineering requirements of the Agent era.

(i) Avoiding the Model Race and Establishing a Neutral Token Platform Strategy

In 2025, the Company officially launched the Token API platform. By aggregating global mainstream large models and providing a unified governance and scheduling layer, the platform enables clients to dynamically optimize performance, cost, and compliance. As a neutral service provider that does not develop proprietary foundational large models, the Company has successfully decoupled its business focus from the underlying algorithmic competition. Instead, it generates long-term platform premium through model scheduling, invocation governance, and engineering management capabilities.

This platform not only offers clients flexible risk-hedging capacity but also ensures that the Company can indiscriminately capture the structural dividends arising from the sustained growth of industry-wide Token consumption. As a result, the stability and scalability of the Company's business model have been significantly enhanced.

(ii) Developer-Centric Approach: Seizing the Infrastructure Entry Point in the Agent Era

As AI applications transition from dialog-based interaction to autonomous execution, the complexity of environment deployment, task orchestration, resource scheduling, and security governance required for agent operations has risen sharply. Building on years of accumulated PaaS capabilities, the Company continues to strengthen systematic support for developers' engineering efficiency.

Since 2026, the global open-source AI agent execution framework OpenClaw has rapidly emerged as an infrastructure-level tool in the AI Agent era. The Company responded swiftly to this industry inflection point by launching lightweight cloud deployment and full-lifecycle operation and maintenance solutions tailored to the OpenClaw ecosystem. These solutions deliver one-stop capabilities covering environment configuration, model integration, elastic scheduling, and permission isolation, compressing deployment processes from hours to minutes.

Leveraging its first-mover advantage and deep cloud-native integration capabilities, the Company has successfully entered the top tier of developer mindshare. This strategic positioning establishes a critical foothold for continuously meeting the explosive growth in computing power, model, and operational demands driven by AI Agents.

(iii) Lingxi AI: Cross-Entity Agent Framework, Positioning the Entry Point for AI in the Physical World

Since the second half of 2025, the Company has invested in building the cross-entity AI agent framework platform "Lingxi AI", dedicated to enabling tool invocation across different intelligent hardware entities. Seed customer beta testing has already commenced. Based on the directional foresight that AI will enter the physical world to solve real-world problems, the Company will continue to increase R&D investment in this area, seizing the strategic window for embodied intelligence and edge agents.

Business Review: Achieved Robust Growth, Further driven by AI Services

In 2025, the Company's business continued to deliver steady growth, with annual MPaaS revenue reaching RMB1.282 billion and APaaS revenue reaching RMB453 million. This not only reflects the resilience of the Company's core business but also demonstrates that our long-accumulated product capabilities and customer base remain the essential foundation supporting the Company in navigating industry changes and capturing AI-driven opportunities.

The value of the MPaaS business lies not only in its revenue contribution but also in its long-term role as a technological foundation. Products such as object storage, content distribution, interactive live streaming, and intelligent media processing continue to support customers' mission-critical business scenarios. In 2025, revenue growth from Kodo and Dora highlighted the Company's ability to consistently meet diversified customer needs and its market competitiveness, particularly in addressing incremental storage and computing demands driven by AI development.

The APaaS business maintained strong growth momentum. Centered on scenarios such as social entertainment, video marketing, visual networking, smart new media, and the metaverse, the Company continues to provide customers with audiovisual solutions that are rapidly deployable and easily scalable. With the advancement of AI technologies, we have continued to introduce more intelligent features and attracted customers to adopt additional services through scenario-based solutions.

On the international front, the Company has continued to expand overseas nodes and localization capabilities, further enhancing its global service network. With ongoing improvements in user experience and localization adaptation, our ability to serve overseas customers has been further strengthened, laying a solid foundation for broader international market expansion in the future.

In terms of AI inference services, the Company's Token API platform aggregates global mainstream large models and deeply integrates multiple audiovisual and text processing functions such as OCR, ASR, TTS, and RTC. This enables full-process coverage from content generation to content distribution, providing corporate clients with a one-stop foundational capability for AI inference.

Regarding AI Agent infrastructure, the Company has introduced cloud deployment and operation solutions tailored to the OpenClaw ecosystem. These solutions embed Qiniu's more than ten years of accumulated expertise in edge computing, elastic scheduling, and compliance security into the agent execution chain, thereby establishing comprehensive service capabilities that cover individual developers, small and medium-sized teams, and enterprise-level scenarios.

The Lingxi AI cross-entity agent framework platform is currently undergoing beta testing. Designed to enable cross-entity tool invocation across embodied intelligence and diverse hardware forms, it will open a new track for the Company in the physical-world implementation of AI.

Business Outlook: Becoming the Digital Foundation in the Agent Era

Looking ahead to 2026, the global AI industry stands at a historic juncture where the technological singularity has arrived and industrial dividends are exploding. The Company will advance strategic deepening along four main trajectories:

(i) Deepening the Token Platform Ecosystem to Capture the Dividend of Exploding Inference Demand

With the large-scale deployment of AI Agents, "Token storms" – where a single task triggers thousands of sub-tasks and API calls within milliseconds – will become the norm. IDC forecasts that Token consumption by active agents in China will experience exponential growth, with annual averages exceeding 30 times. The Company will continue to enhance the Token API platform's breadth of model coverage, scheduling strategies, and cost optimization capabilities. Anchored in its positioning as a neutral service provider, the Company will indiscriminately capture the dividends of industry-wide Token consumption growth. At the same time, with the rise of One-Person Companies (OPCs) reshaping the developer ecosystem, the potential of the Company's 1.8 million developer user base will be further activated, becoming a key driver for the sustained release of platform scale effects.

(ii) Fully Embracing the OpenClaw Ecosystem to Build Core Infrastructure Barriers in the Agent Era

The Company will continue to invest in deep support for the OpenClaw ecosystem, progressively enhancing its infrastructure service system for the full lifecycle of AI Agents – from cloud hosts ("Shrimp Boxes"), elastic computing power scheduling, and MCP toolchain integration to compliance-secure sandboxes. Within the Agent framework, due to core considerations of security and stability, a large number of tasks must run in cloud-based isolated environments (sandboxes), making cloud hosts the primary choice for Agent deployment rather than optional resources. Leveraging its first-mover advantage and cloud-native capabilities, the Company will continue to consolidate its core position in developer mindshare and convert this ecosystem connectivity into long-term demand for computing power, model services, and operational services.

(iii) Advancing R&D of "Lingxi AI" to Seize the Entry Point for Embodied Intelligence and Physical AI

Based on the directional foresight that AI will enter the physical world to solve real-world problems, the Company will continue to increase R&D investment in the cross-entity agent framework "Lingxi AI." This initiative expands coverage across diverse intelligent hardware forms and will gradually progress from current seed customer beta testing to scaled commercial implementation. Embodied intelligence represents the core battleground of the next technological generation, and the Company has already established its presence at the starting line, striving to become a key infrastructure provider for AI's entry into the physical world.

(iv) Continuously Optimizing Cost Structure to Accelerate Profitability Improvement

The Company will persist in optimizing its cost structure and enhancing operational efficiency. By leveraging AI technologies to empower internal operation monitoring, it will further improve accuracy in service health detection and efficiency in resolving technical issues, thereby reducing human operating costs. On the revenue side, the Company will focus on increasing investment and promotion in high-margin AI businesses and APaaS solutions, accelerating the continuous improvement of overall gross margin. While maintaining strong revenue growth, the Company will continue to narrow adjusted net losses and steadily progress toward overall profitability.

I firmly believe that the technological depth and developer ecosystem accumulated by Qiniu over the past fifteen years are being strategically revalued amid the comprehensive restructuring of the AI industry. What once appeared to be fragmented capability modules – such as audiovisual processing, edge access, workflow orchestration, and model scheduling – are now being reconnected under the architectural logic of the Agent era, converging into a clear strategic trajectory: to occupy the critical hub layer that bridges upstream model computing power with downstream agent applications, thereby becoming the digital foundation of the agent era.

With the technological singularity upon us, industrial dividends exploding, and the future landscape clearly within reach, the Company is confident in its development prospects. Through relentless innovation and execution, we are committed to creating long-term value for all shareholders.

Finally, we extend our sincere gratitude to every shareholder and supporter for their trust and support.

Xu Shiwei
Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes included in this annual report and in particular, "Business Overview." This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this annual report. We have prepared our consolidated financial statements in accordance with IFRS.

BUSINESS REVIEW

Overview

In 2025, our total revenue reached RMB1,768.7 million, representing a year-on-year increase of 23.1% compared to RMB1,437.0 million in 2024. This growth stems from our leading products and solutions consistently meeting customers' expanding business needs, while also leveraging AI technology to enhance efficiency and drive intelligent upgrades for their operations. In 2025, AI-related revenue reached RMB437.3 million, accounting for 24.7% of total revenue during the same period. This achievement stems from our role as an enabler of AI technology and developer ecosystems, where we have built comprehensive product capabilities and solutions spanning AI computing resources, AI large-scale model platforms, and audiovisual AI applications. These efforts continue to inject fresh momentum into business growth.

Thanks to rapid business growth and outstanding cost control, our adjusted net loss narrowed significantly. In 2025, our adjusted net loss (on a non-IFRS basis) was RMB49.6 million, compared to an adjusted net loss (on a non-IFRS basis) of RMB127.0 million in 2024, representing a 60.9% reduction in the loss. At the same time, we have achieved a major breakthrough by turning adjusted EBITDA positive. In 2025, adjusted EBITDA (on a non-IFRS basis) reached a profit of RMB0.9 million, compared to an adjusted EBITDA (on a non-IFRS basis) loss of RMB71.1 million in 2024.

As of December 31, 2025, the number of registered developers on our platform has exceeded 1.8 million, among which over 160,000 developers have activated our AI large model services.

The Group's report reflects the manner in which the Directors and senior management review information under this structure. Revenue generated by the Group is reported based on our three main business lines, namely MPaaS, APaaS solutions and other services.

MPaaS

QCDN.	Our integrated QCDN product optimizes the acceleration of data network through building CDN nodes across the globe from multiple providers, primarily including IaaS cloud providers and traditional CDN providers. QCDN is primarily charged based on network traffic or bandwidth usage on public cloud, taking into account factors including the amount of content delivered and the time of the day the service was requested.
Kodo.	Kodo can be offered to our customers on public cloud which is charged based on the storage capacity, including factors such as the weighted average size of the data stored daily. In addition, for customers with higher demand for compatibility, reliability, privacy and security in cloud, Kodo can also be deployed on the customer's server or on a private cloud that we build for the customer, which is charged based on the storage capacity.
Interactive live streaming products.	Our interactive live streaming products are designed for application scenarios in live streaming and real-time interactions. Our interactive live streaming products are offered to our customers on public cloud which is primarily charged based on usage.
Dora.	Dora is our cloud-based intelligent media data analytics platform, offering strong data processing capabilities. Most of our customers use Dora on public cloud which is charged based on API calls or usage. To a lesser extent, Dora can also be deployed on a private cloud built for customers, which is charged on a project basis.

The Company's technology is the cornerstone of our MPaaS product's competitive advantage.

For example, we provide low-latency, high-stability, and high-availability network services to our customers through our extensive global network coverage, comprehensive node monitoring, and real-time intelligent allocation. We are able to achieve highly reliable storage services with minimal redundancy. Thanks to these technological and product competitive advantages, our MPaaS products have effectively met customer needs that drove our revenue growth.

APaaS

Revenue from our APaaS solutions is derived from five application scenarios, namely social entertainment, video marketing, visual networking, smart new media and metaverse. We charge our APaaS customers based on (i) actual usage (such as volume of data or storage used, API calls, etc.), or (ii) service package (equipped with fixed storage, data, software pack, etc.)

Our APaaS solutions allow for quick deployment and easy extension, which significantly improve our customers' agility for scenario-based innovation. In particular, we currently provide five application scenarios of our APaaS solutions, namely social entertainment, video marketing, visual networking, smart new media and metaverse. Benefiting from increasing business growth of our customers, our APaaS solutions which allow for quick deployment and easy expansion can better meet the demand of our customers and the revenue derived from our APaaS solutions continued to increase.

Other services

Complementary to our MPaaS and APaaS solutions, we also offer our customers other trustworthy cloud services, primarily including DPaaS, QVM, and internet data hosting services. We provide other services to our customers according to their demand as part of our comprehensive services and our revenue from other services.

INDUSTRY DEVELOPMENT TRENDS

The global AI industry has reached a pivotal moment in 2026, witnessing a comprehensive transformative restructuring of foundational technologies, industrial paradigms, and business forms. Industry competition has shifted from the narrow focus on model capabilities to a full-dimensional contest encompassing agent ecosystems, engineering paradigms, and value creation. The technological singularity is upon us, industrial dividends are exploding, and the future landscape is becoming distinctly tangible.

I. Breakthroughs in Large Model Capabilities Reach a Singularity, Deeply Reshaping the Global Computing Power and Technology Landscape

The large-model industry has entered a cycle of generational technological leaps, achieving exponential breakthroughs in multimodal understanding, long-context reasoning, toolchain invocation, and autonomous decision-making capabilities. This marks a qualitative transformation from “specialized tools” to “universal intelligence foundations”.

Venture capital firm a16z explicitly states in its report “Big Ideas 2026” that AI is evolving from a separate tool into the digital nervous system and core orchestration layer of enterprises, becoming the intelligent hub that connects business operations, data, and systems. Leveraging the continuous iteration of computing infrastructure, large models have crossed critical thresholds in both generalization capabilities and engineering implementation.

Global industrial deployment data reveals that core statistics for February 2026 confirm an industry explosion: China’s models have surpassed U.S. models in Token consumption share for the first time on the Open Router platform, processing a staggering 5.3 trillion Tokens in a single week. Weekly invocation volumes for leading models surged by up to 197%, marking a historic reallocation of global computing power demand and technological supply landscape. The comprehensive maturation of large-model capabilities has solidified the foundational groundwork for the deployment of agents, the transformation of engineering paradigms, and the restructuring of business forms.

II. Transformative Leap in Industrial Paradigms: From Dialog-Based Interaction to Autonomous Workflows of Agents, Mastering Engineering to Define Next-Generation Production Logic

AI applications have undergone a fundamental shift from “passive interactive chatbots” to autonomous agents with closed-loop workflows. The industry has entered the Agent-First era, where the technological core has evolved from simple question-answering to end-to-end autonomous task execution encompassing perception, planning, execution, and reflection.

Following prompt engineering and context engineering, OpenAI introduces a new engineering paradigm: Harness Engineering. This approach replaces traditional prompt engineering by establishing the core logic of "human steering, agent execution." It constructs an AI agent operational system through architectural constraints, environmental design, and feedback closed-loop systems. This achieves a tenfold increase in efficiency over traditional models, enabling large-scale engineering implementation with zero manual coding, and fundamentally redefines the division of labor in software engineering.

Agents will trigger recursive task storms, where a single target can initiate thousands of sub-tasks and API invocations within milliseconds, forcing traditional infrastructure to undergo complete iteration. Gartner predicts that by 2026, over 40% of enterprise applications will integrate task-oriented AI Agents, marking an eightfold increase from the 5% penetration rate recorded in early 2025.

The intermediate reasoning and tool invocation capabilities of agents will drive a nonlinear surge in Token consumption ranging from 10 to 50 times. This will force foundational computing power to evolve toward low latency, high concurrency, and high throughput. Agent-native infrastructure will emerge as the industry's core competitive barrier, shifting industrial value from the model layer to the execution layer and infrastructure layer.

III. Application Forms Undergo Stepwise Evolution: The Rise of One Person Company (OPC) Reshapes Commercial Production Relations

The deep integration of AI agents with mastery engineering breaks traditional organizational boundaries and human constraints, propelling the One Person Company from concept to large-scale implementation, which will emerge as the most transformative business unit by 2026.

AI delivers a historic breakthrough in operational leverage, enabling individuals to accomplish end-to-end tasks previously requiring teams of hundreds through multi-agent clusters. Organizations shift from pyramid structures to star-shaped radiating models, achieving optimal balance between labor efficiency and marginal costs. OpenAI's mastery of engineering practices further validates this shift: human roles evolve from coders to system designers, intent definers, and outcome validators. Core productivity transitions from "manual execution" to "rule-setting and intelligent orchestration."

Leveraging agent workflows and large-model capabilities, individuals can independently complete end-to-end operations spanning product development, market operations, customer service, and supply chain coordination. This significantly lowers the threshold for entrepreneurship and exponentially boosts business innovation efficiency. The rapid rise of OPC signifies AI's evolution from an enhanced tool to a reconfigurer of production relations, unlocking a trillion-dollar economy for individual entrepreneurs and lightweight businesses. This marks a fundamental shift in the paradigm of industrial value creation.

As the AI industry enters its deep waters, the Company has spent 15 years honing its expertise in distributing and providing real-time responses to unstructured data within audiovisual cloud storage. By enhancing reasoning efficiency through high-performance edge access and securing traffic gateways via neutral API routing, the Company is progressively completing its strategic leap from an audiovisual data container to an AI computing hub.

MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our ability to create value for our users and generate revenue is driven and affected by the factors described below:

Trends in China's economic conditions and development of the industries in which we operate

Our business and results of operations are significantly affected by China's overall economic conditions and the development of China's audiovisual PaaS industry, including audiovisual MPaaS industry and audiovisual APaaS industry. We aim to capture, and we believe that we are well-positioned to continue to capture, the various market opportunities brought by the development of industries in which we operate as it is subject to rapid technological changes and is evolving quickly in terms of technological innovation. In 2025, we experienced the boom of AI and AIGC, which is based on a multimodal large model. "AIGC + audiovisual APaaS" is developing into a new form of audiovisual APaaS. The incorporation of AIGC technology into audiovisual APaaS products is expected to empower content innovation and intelligent content generation.

Our ability to retain and expand usage by our existing customers and to acquire new customers

We have amassed a broad and diversified customer base covering a wide spectrum of industry verticals. The number of our MPaaS and APaaS customers were 84,363 and 3,687, respectively, as at December 31, 2025.

Our MPaaS products are provided to a full spectrum of customers. On one side of the spectrum, MPaaS products are offered to large customers who have development capabilities and tap into our MPaaS functionalities. On the other side of the spectrum, MPaaS products are offered to smaller customers that have limited use of our products such as small scale cloud storage. We strive to retain existing customers and obtain new customers by, among others, further enhancing the quality and efficiency of our existing products and solutions, offering additional innovative products and solutions and implementing effective sales strategies tailored to the verticals in which we operate. Our operating results and growth prospects will depend in part on our ability to attract new customers. With the development of the audiovisual PaaS industry in China continuously driven by the digitization of media and entertainment content, the development of cloud computing, AI and 5G technology, we expect to capture the growing market opportunities and serve our existing and new APaaS customers with our low-code solutions addressing differentiated demand of the market.

Our ability to upgrade and expand our products and solutions and to compete effectively

Our success has been based on our dedication to the development of innovative and high-performance audiovisual MPaaS and APaaS products and solutions, and our ability to identify and meet the business needs of our customers. Our business prospects depend largely on our ability to continue enhance the functionalities, performance, reliability, security, scalability of our products and solutions, and to introduce advanced and innovative products and solutions, which thereby will allow us to capture additional market share, enjoy better economies of scale and improve our profitability.

Our ability to effectively control our costs and expenses

Our profitability depends largely on our ability to manage and control our costs and expenses. Our cost of sales mainly includes network and bandwidth costs, server and storage costs, depreciation of equipment, Internet data center rack costs, technical service fees and staff cost. Network and bandwidth costs are mainly resource costs associated with distribution or content delivery. Since a significant portion of our costs relates to distribution and storage services from third parties, our cost of sales largely depends on the price of such services in the market.

KEY OPERATING METRICS

Set out below are some of the key operating metrics we take into account of when managing our business.

	Year ended December 31,	
	2025	2024
Number of MPaaS paying customers	**84,363**	82,597
Number of APaaS paying customers	**3,687**	2,901
Average contribution of MPaaS Paying customers (RMB)[1]	**15,191**	12,585
Average contribution of APaaS paying customers (RMB)[2]	**122,985**	122,010

Notes:

(1) Calculated based on total revenue from MPaaS in the period divided by the number of MPaaS customers in the period.

(2) Calculated based on total revenue from APaaS in the period divided by the number of APaaS customers in the period.

MANAGEMENT DISCUSSION AND ANALYSIS

LOOKING FORWARD AND WORK PLAN FOR 2026

The Company launched the Token API platform in 2025. By aggregating global mainstream large models and providing a unified governance layer, we not only offer clients resilient risk mitigation capabilities but also leverage dynamic algorithms to help them find the optimal balance between cost and performance. As a neutral service provider that does not develop proprietary large models, the Company has successfully decoupled its business logic from the foundational algorithmic competition. Instead, it generates long-term platform premium by offering model scheduling and management capabilities. This neutral platform positioning ensures the Company can capture the benefits of overall Token consumption growth across the industry on an equal basis.

Leveraging a strategic combination of platform-based hubs, edge deployment, and asset-light operations, the Company not only captures platform connectivity value but also maximizes the advantages of computing flexibility and ecosystem integration capabilities. This approach establishes a clear value growth trajectory and robust investment rationale for the Company, particularly as the 2026 time window approaches – a period marked by explosive demand for inference capabilities and model invocation. In early 2026, as major cloud providers raised prices for products such as CDN and storage, the Company also announced price increases for related products, fully demonstrating the competitive advantage of these business lines. Since the second half of 2025, the Company has also invested in building the cross-entity AI agent framework platform "Lingxi AI," enabling tool invocation across different intelligent hardware entities. We have initiated seed customer beta testing. Based on our directional foresight that AI will solve real-world problems by entering the physical world, the Company will continue to invest in R&D in this area.

Since 2026, OpenClaw has pioneered the positioning in the field of on-device personal intelligent assistants. Powered by its Node.js-driven asynchronous high-concurrency gateway (網關) and multi-channel architecture, coupled with features such as memory, skills, multi-tool integration, and multi-model compatibility, it has rapidly emerged as a phenomenal personal AI agent in the era of AI Agent.

Leveraging its forward-looking insights into the trends of the intelligent agent industry, as well as its profound expertise in large-model MaaS, lightweight hosts, and its traditional strengths in the video cloud sector, we have quickly integrated into the OpenClaw open ecosystem. We provide high-standard Token (inference "**nutrient**") for intelligent agents through MaaS. Furthermore, via lightweight cloud hosts pre-installed with the Node.js runtime environment and computing infrastructures such as Agent Bus, we deliver ultra-responsive running nodes ("**Shrimp Box**", Nodes) for users. Whether for exclusive personal hosts prioritizing private experiences or enterprise-level shared resources pursuing cost-effectiveness, the Company is committed to providing the most robust "digital foundation" for the OpenClaw ecosystem, unlocking vast growth potential for our AI and computing businesses.

FINANCIAL REVIEW

Results of Operations

Our total revenue increased by 23.1% from RMB1,437.0 million in 2024 to RMB1,768.7 million in 2025. Our loss for the year decreased by 87.4% from RMB459.4 million in 2024 to RMB57.9 million in 2025, mainly due to efforts to expand market share, decrease in selling and marketing expenses, administrative expenses, and research and development costs.

Components of Results of Operations

Revenue

MPaaS

Revenue from our MPaaS products are primarily derived from our QCDN, Kodo, interactive live streaming products and Dora.

	Year ended December 31,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
QCDN	**782,807**	**61%**	764,492	74%
Kodo	**323,784**	**25%**	194,814	18%
Interactive live streaming products	**22,407**	**2%**	16,103	2%
Dora	**152,522**	**12%**	63,852	6%
Total	**1,281,520**	**100%**	1,039,261	100%

In 2025, our total revenue from MPaaS products increased by 23.3%, which was attributed to revenue growth from Kodo and Dora. This growth fully demonstrates our ongoing ability to meet the diverse needs of our customers and our competitive edge in the market through our technology and product matrix, particularly in addressing the growing demand for storage and computing power driven by advancements in AI technology.

APaaS

The following table sets forth a breakdown of our revenue from APaaS solutions by application scenarios, categorized according to the scenario-based solutions provided to our APaaS customers, in absolute amounts and as a percentage of our revenue from APaaS solutions for the periods indicated.

	Year ended December 31,			
	2025		2024	
	RMB'000	**%**	RMB'000	%
Social entertainment	**104,007**	**23%**	129,882	38%
Video marketing	**313,825**	**69%**	189,000	53%
Visual Networking	**26,170**	**6%**	29,398	8%
Smart new media	**8,625**	**2%**	4,970	1%
Metaverse	**817**	**0%**	700	0%
Total	**453,444**	**100%**	353,950	100%

In 2025, our total revenue from APaaS solutions increased by 28.1%, which was attributed to the significant increase in revenue from video marketing. Driven by the development of AI technology, we are able to provide more intelligent functions and attract customers to use more services with scenario-based solutions.

Other services

In 2024 and 2025, revenue from our other services were RMB43.8 million and RMB33.7 million, respectively, representing approximately 3.0% and 1.9% of our total revenue in the same periods.

Cost of Sales

The principal components of our cost of sales include: (i) network and bandwidth purchased from network operators and cloud providers, (ii) server and storage costs in relation to hardware procured for customers, virtual machine services acquired and storage related services, (iii) depreciation and amortization mainly in relation to servers and network equipment, (iv) Internet data center rack costs, (v) technical service fees in relation to software development kit ("**SDK**"), AI and other services or software purchased from third parties, (vi) staff cost in relation to salaries, bonuses, benefits and share-based payments for our project operation and maintenance team, and (vii) other miscellaneous expenses such as equipment accessories and logistics expenses.

We recorded an increase of 25.1% in cost of sales from RMB1,153.2 million in 2024 to RMB1,442.1 million in 2025, which was in line with our increase in revenue.

Gross Profit and Gross Margin

The following table sets forth our gross profit in absolute amounts and as a percentage of revenue, i.e., gross margins, for the periods indicated:

	Year ended December 31,			
	2025		2024	
	Gross Profit RMB'000	**Gross margin (%)**	Gross Profit RMB'000	Gross margin (%)
MPaaS	**200,241**	**15.6%**	178,927	17.2%
APaaS	**123,532**	**27.2%**	100,453	28.4%
Others	**2,807**	**8.3%**	4,445	10.1%
Total	**326,580**	**18.5%**	283,825	19.8%

We recorded a drop in our gross margin due to (1) gross profit margin was pressured by increased revenue contribution from larger customers with stronger bargaining power; (2) some customers requesting price adjustments due to changes in the macroeconomic and market environment; and (3) increased network and bandwidth costs in the market.

Other income and gains

Other income and gains consists primarily of government grants relating to our research and development and business activities and bank deposit interest income, and gains on early termination of certain leases.

We recorded an increase in other income and gains from RMB9.8 million in 2024 to RMB20.4 million in 2025, which was mainly due to an increase in government grants and bank interest income.

Research and development costs

Research and development costs consists primarily of personnel costs, depreciation and amortisation, outsourcing of non-essential research and development expenses and others.

We recorded a 9.8% decrease in research and development costs from RMB157.6 million in 2024 to RMB142.2 million in 2025, which was mainly due to effective cost control, which resulted in a reduction in personnel costs and efficiency improvement through the use of AI tools.

Selling and marketing expenses

We recorded a decrease in selling and marketing expenses from RMB115.9 million in 2024 to RMB94.5 million in 2025 due to our continuous efforts to control costs.

Fair value losses on convertible redeemable preferred shares

We did not record any fair value losses on convertible redeemable preferred shares for the year ended December 31, 2025 as convertible redeemable preferred shares of the Company had been converted into ordinary shares of the Company on October 16, 2024 upon listing, compared with the RMB293.6 million in fair value losses on convertible redeemable preferred shares incurred for the year ended December 31, 2024.

Taxation

We recorded RMB369,000 income tax expense during 2025 as compared with RMB31,000 income tax expense during 2024.

Loss for the Year

We recorded a decrease in loss from RMB459.4 million in 2024 to RMB57.9 million in 2025, mainly due to the decrease in loss caused by the fair value changes of convertible redeemable preferred shares and decrease in selling and marketing expenses and administrative expenses and research and development costs due to the effective cost control, and increase in revenue resulting from expanding market share.

Adjusted Net Loss

We recorded an adjusted net loss (non-IFRS Measure) for the year ended December 31, 2025 of RMB49.6 million, compared to an adjusted net loss (non-IFRS Measure) of RMB127.0 million for the year ended December 31, 2024. Our Company defines the adjusted net loss (non-IFRS Measure) as the loss for the year, excluding fair value changes on convertible redeemable preferred shares, share-based payments and listing expenses.

Total Comprehensive Loss for the Year

We recorded total comprehensive loss of RMB471.7 million and RMB62.5 million in 2024 and 2025, respectively. The decrease for the total comprehensive loss for the year was due to the decrease in loss caused by the fair value changes of convertible redeemable preferred shares and decrease in selling and marketing expenses and administrative expenses and research and development costs due to the effective cost control, and increase in revenue resulting from expanding market share.

Liquidity and Capital Resources

We fund our operations and strategic investments from cash generated from our operations and through debt and equity financing. As of December 31, 2025 we had cash and cash equivalents, and time deposits of a total amount of RMB402.1 million. Short-term bank deposits were deposits with original maturities over three months and less than one year. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of our Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default.

As at December 31, 2025, our Group's interest-bearing bank amounted to RMB213.4 million, which were short-term bank loans within one year without any pledge of our Group's property, plant and equipment.

Cash Flows used in Operating Activities

Net cash flows used in operating activities in year 2025 was RMB46.6 million, and primarily consisted of loss before tax of RMB57.5 million, as adjusted for non-cash items and the effects of changes in working capital and other activities. Adjustments for non-cash items primarily included (i) the cash flow effects of certain items, including Impairment losses on financial and contract assets, net, depreciation of property, plant and equipment and right-of-use assets, share-based payments, finance costs, bank interest income and financial assets at fair value through profit or loss, and (ii) the effects of changes in our working capital.

Net cash flows used in operating activities in year 2024 was RMB118.1 million, and primarily consisted of loss before tax of RMB459.3 million, as adjusted for non-cash items and the effects of changes in working capital and other activities. Adjustments for non-cash items primarily included (i) the cash flow effects of certain items, including impairment losses on financial assets, depreciation of property, plant and equipment and right-of-use assets, share-based payments, finance costs, bank interest income, losses on fair value changes of convertible redeemable preferred shares and financial assets at fair value through profit or loss, and (ii) the effects of changes in our working capital.

Please also see our consolidated statements of cash flows set forth in our audited consolidated financial statements included in this annual report.

Cash Flows used in Investing Activities

Our cash used in investing activities consists primarily of payments for the purchase of property, plant and equipment, additions to other intangible assets, and placement of time deposits. Our cash generated from investing activities consists primarily of proceeds from maturity of time deposits, proceeds from disposal of financial assets at fair value through profit or loss, and proceeds from disposal of items of property, plant and equipment.

Net cash flows used in investing activities in 2025 was RMB48.8 million, primarily attributable to replacement of time deposits.

Net cash flows from investing activities in 2024 was RMB42.0 million, primarily attributable to proceeds from maturity of time deposits.

Cash Flows used in Financing Activities

Net cash flows used in financing activities in year 2025 was RMB21.4 million primarily reflected to new bank loans, repayment of bank loans and repurchase of shares.

Net cash flows from financing activities in year 2024 was RMB356.4 million primarily reflected the proceeds from issuance of ordinary shares relating to initial public offering.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

Our capital expenditures primarily consist of expenditures for fixed assets, comprising property, plant and equipment, specifically servers, computer equipment, office equipment and furniture.

In 2024 and 2025, our capital expenditures totaled RMB35.0 million and RMB52.6 million, respectively.

In 2025, we funded our capital expenditure mainly from cash generated from our operating activities and bank borrowings.

FOREIGN EXCHANGE EXPOSURE

The Group undertakes certain operating transactions in foreign currencies, which expose the Group to foreign currency risk, mainly pertaining to the risk of fluctuations in the Hong Kong dollar and US dollar against Renminbi.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The Group will continue to monitor foreign currency risk exposure and will consider hedging significant foreign currency risk should the need arise.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are set forth in Note 2 to our audited consolidated financial statements included in this annual report. The preparation of our consolidated financial statements requires our management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Our management periodically re-evaluates these estimates and assumptions based on historical experience and other factors, including expectations of future events that they believe to be reasonable under the circumstances. The estimates or assumptions related to the impacts of the conflict on economic conditions also require our significant judgment. We have identified the following accounting policies as the most critical to an understanding of our financial position and results of operations, because the application of these policies requires significant and complex management estimates, assumptions and judgment, and the reporting of materially different amounts could result if different estimates or assumptions were used or different judgments were made.

Recognition of Revenue

We are mainly engaged in the business of providing MPaaS products, APaaS solutions, and other services including DPaaS solutions and other cloud services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at December 31, 2024 and December 31, 2025.

MATERIAL ACQUISITION, DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT

For the year ended December 31, 2025, our Group had no material acquisition, disposal of subsidiaries, associates and joint ventures or significant investment.

Material Adverse Change

Other than as disclosed in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the current fiscal year that are reasonably likely to have a material effect on our net revenues, income, profitability, liquidity or capital reserves, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our bank borrowings with a floating interest rate. Our policy is to manage our interest cost using a mix of fixed and variable rate debts. As at 31 December 2025 and 2024, none of our interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of the reporting period, we did not have any significant exposure to the interest rate risk in the cash flows.

Foreign currency risk

The functional currency of our Company and our subsidiaries incorporated in Cayman Islands, the British Virgin Islands, Hong Kong, Singapore and Vietnam is USD. We are exposed to foreign currency risk with respect to transactions denominated in currencies other than USD. In addition, in the Chinese mainland, we principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. For further details of our foreign exchange risk in relation to possible changes in foreign currency exchange rates, see Note 36 to our audited consolidated financial statements included in this annual report.

Credit risk

We only offer credit terms to recognized and creditworthy customers. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For further details of our credit risk, see Note 36 to our audited consolidated financial statements included in this annual report.

Liquidity risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. For further details of our credit risk, see Note 36 to our audited consolidated financial statements included in this annual report.

Management's Annual Report on Internal Control over Financial Reporting

Financial reporting risk management

We have a set of policies in connection with our financial reporting risk management, such as financial system management, assets protection management, budget management, and operation analysis management. We also have procedures in place to implement such policies, which our financial department follows when reviewing our management accounts. In addition, we provide regular training to our financial department staff to ensure that they understand our accounting policies and procedures.

Operational risk management

We pay detailed attention to the review of contents published by our customers. We have developed a proprietary intelligent content censor system, which leverages the machine learning technology to determine within several seconds whether the contents published by customers (including texts, graphics, and videos) have violated or is likely to violate any policies, and we manage this accordingly, through measures such as blocking such content from being published. At the same time, we set up an operational risk management team, members of which will conduct comprehensive reviews of contents used in our platform. In addition, end customers can give feedback or report any violating contents published by our customers through different channels. Our operational risk management team will, pursuant to applicable laws and regulations, delete or remove offending contents and penalize such customers.

Investment risk management

We invest in or acquire businesses that complement ours, such as those that can expand our service scope and strengthen our R&D capabilities. We usually plan to hold our investments for the long term. To protect shareholders' interests and control potential risks related to investments, we generally require the investees to grant us the usual investor protection rights.

In our investment projects, our corporate strategic management center identifies investment projects based on our investment strategies and evaluates the risks and potential of these investment projects in advance. We adopt different levels of approval and due diligence mechanisms depending on the specific circumstances of the investment project. Our finance and legal affairs department collaborates with the corporate strategic management center on evaluation, structure, analysis, communication, execution, risk control, reporting and post investment risk management of transactions. In addition, our finance and legal affairs department regularly monitors trading behavior. Any significant issues will be timely reported to the Board and the corporate strategic management center composed of several senior management team members with rich industry experience for further discussion.

Anti-bribery and corruption

Pursuant to our internal control policy, namely Qiniu Cloud Anti-Bribery and Anti-Corruption Management System 《(七牛雲反舞弊反賄賂管理機制》), all employees of our Group would be penalized for engaging in bribery, corruption, misappropriation and fraud in exchange for personal or commercial benefits. The audit department is responsible for identifying, assessing and reporting corruption incidents to the CEO in accordance with a prescribed set of criteria, including the scope, severity and complexity of the suspicious activity, As precautionary measures, we also strengthen our internal control measures against bribery and corruption from time to time. In addition, we include a warranty in our procurement contract that suppliers shall guarantee to us that all goods or services that they provided comply with relevant U.S. trade control and sanctions laws and regulations.

SIGNIFICANT CHANGES

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

PLEDGE OF ASSETS

As of December 31, 2025, we did not pledge any of our assets.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Xu Shiwei (許式偉), aged 48, was appointed as a Director on May 23, 2011 and was subsequently re-designated as an executive Director on June 26, 2023. Mr. Xu is also the chairman of our Board, the chief executive officer and chief technical officer of our Company and directors of certain of our subsidiaries and Consolidated Affiliated Entities, such as Qiniu HK, WarpDrive Technology and Qiniu Information. Mr. Xu is responsible for overall strategic planning and operational decision of our Group.

Mr. Xu has over 21 years of experience in the information technology industry. Mr. Xu established our Company in May 2011. Prior to the incorporation of our Company, from 2009 to 2011, Mr. Xu worked as a senior researcher at Shanda Interactive Entertainment Limited (上海盛大網絡發展有限公司), and led the launch of Shanda NetDisk and Shanda Grand Cloud. From 2000 to 2008, Mr. Xu held several technical roles, including as a technical director, at Kingsoft Corporation Limited (金山軟件有限公司) (a company listed on the Stock Exchange, stock code: 3888), where he established a laboratory focusing on the research and development of distributed storage technologies.

Mr. Xu received a degree of Bachelor of Science in Theoretical Physics from Nanjing University (南京大學) in July 2000.

Mr. Xu has received various recognitions for his contributions in the information technology industry. He received the State Scientific and Technological Progress Award (Second Class) (國家科學技術進步獎二等獎) by the State Council in December 2007 for his contributions in the development of WPS Office 2005 and he also received the Shanghai Scientific and Technological Award (Third Class) (上海市科學技術獎三等獎) for his participation in the development of cloud storage framework and data management platform for developers from Shanghai Municipal People's Government (上海市人民政府) in November 2016.

Mr. Xu is one of the lead authors of the book titled "The Go Programming Language (Go語言編程)" and one of the translators of the book titled "Programming in Go: Creating applications for the 21st century" written by Mark Summerfield. Mr. Xu is also the inventor/co-inventor of several critical patents of our Group.

Ms. Chen Yiling (陳伊玲), aged 43, was appointed as a Director on March 13, 2023 and was subsequently re-designated as an executive Director on June 26, 2023. Ms. Chen is also the chief operating officer of our Company and director or supervisor of certain subsidiaries and Consolidated Affiliated Entities, such as Qiniu HK, WarpDrive Technology and Qiniu Information. Ms. Chen is responsible for overseeing daily management and operations, strategic planning and business development of our Group.

Ms. Chen has over 18 years of experience working in the information technology industry. She joined our Group in October 2014 and initially worked as a human resources director. She was subsequently promoted to be the vice president of our human resources department in January 2017. She was re-designated as the vice president of our operation department in June 2020 and served as the chief marketing officer from May 2021 to December 2021 before she became our chief operating officer. Prior to joining our Group, Ms. Chen worked at Shanghai Success Factors Software Technology Co., Ltd. (上海勝略軟件技術有限公司) (a subsidiary of SAP (China) (思愛普(中國)), a software company, from January 2011 to September 2014.

Ms. Chen received a degree of Bachelor of Management in Human Resource Management from Hunan Institute of Engineering (湖南工程學院) in June 2005 and completed Executive Master of Business Administration (EMBA) program at Cheung Kong Graduate School of Business (長江商學院) in June 2024.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Mr. Lyu Guihua (呂桂華), aged 45, was appointed as a Director on May 23, 2011 and was subsequently re-designated as a non-executive Director on June 26, 2023. Mr. Lyu is also a director of certain of our subsidiaries and Consolidated Affiliated Entities, such as Qiniu HK and Qiniu Information. Mr. Lyu is responsible for participating in the formulation of the overall strategy of our Group.

Mr. Lyu has over 22 years of experience in the information technology industry. Prior to joining our Group, from August 2009 to June 2011, he served as a department manager in Shanda Games Limited (盛大遊戲有限公司) (currently known as Shengqu Information Technology (Shanghai) Co., Ltd. (盛趣信息技術(上海)有限公司)), an online game company. From March 2004 to August 2009, Mr. Lyu served as a software development manager in Augmentum Software. From July 2001 to March 2004, Mr. Lyu served as a software architect at Kingsoft Corporation Limited (金山軟件有限公司) (a company listed on the Stock Exchange, stock code: 3888).

Mr. Lyu received his degree of Bachelor of Engineering in Mechanical Engineering and Automation from Zhejiang University (浙江大學) in June 2001.

Mr. Lyu is another lead author of the book titled "The Go Programming Language (Go語言編程)" and one of the translators of the book titled "Programming in Go: Creating applications for the 21st century" written by Mark Summerfield. Mr. Lyu is also the inventor/co-inventor of several critical patents of our Group.

Independent Non-executive Directors

Mr. Wei Shaojun (魏少俊), aged 45, has been appointed as an independent non-executive Director effective from the Listing Date and he is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Wei has over 19 years of experience in the information technology industry. He has been serving as a senior technical director of Pintu (Beijing) Information Technology Co. Ltd* (拼途(北京)信息技術有限公司), an online travel platform providing taxi-hailing and carpooling services, and is responsible for the optimization of intelligent algorithms since June 2021. From October 2018 to June 2021, Mr. Wei served as the vice president of the information management department of Shanghai LinkSure Network Technology Co.* (上海連尚網絡科技有限公司), a company providing internet access, and was responsible for information management and promotion business of videos. Prior to that, Mr. Wei was a technical director of Tianjin Qisi Technology Co., Ltd* (天津奇思科技有限公司), a software company which is currently known as 360 Technology Group Co., Ltd.* (三六零科技集團有限公司), and was responsible for web crawlers, natural language processing, promotion and other related operations from September 2012 to October 2018. From July 2006 to September 2012, he was a technical manager at Baidu, Inc. (百度集團股份有限公司) (a company listed on the Stock Exchange, stock code: 9888 and NASDAQ, stock code: BIDU) and was responsible for web crawlers and search engine.

Mr. Wei received his degree of Bachelor of Science in Physics in Optoelectronics from Nanjing University (南京大學) in July 2000 and his degree of Master of Engineering in Computer Science and Technology from Tsinghua University (清華大學) in July 2006.

* *For identification purposes only*

Mr. Zhou Zheng (周正), aged 40, has been appointed as an independent non-executive Director effective from the Listing Date and he is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Zhou has over 12 years in the corporate finance and capital markets industry. He has been serving as the chief strategy officer of Zhongsheng Group Holdings Limited (中升集團控股有限公司) (an automobile company listed on the Stock Exchange, stock code: 881) since February 2023 and is primarily responsible for financial and strategic planning and capital markets related matters. From November 2017 to April 2021, he served as the chief financial officer of VCREDIT Holdings Limited (維信金科) (an online consumer finance service provider listed on the Stock Exchange, stock code: 2003). Prior to that, he worked at Credit Suisse (Hong Kong) Limited (瑞士信貸(香港)有限公司), a subsidiary of Credit Suisse AG (瑞士信貸銀行股份有限公司), an investment bank, as a vice president from May 2016 to November 2017 and worked at Blackstone Advisory Partners L.P., a subsidiary of The Blackstone Group (黑石集團), from March 2011 to May 2015.

Mr. Zhou obtained his degree of Bachelor of Business Administration in Finance from The Hong Kong University of Science and Technology (香港科技大學) in November 2008 and a degree in Master of Business Administration from the Sloan School of Management of Massachusetts Institute of Technology (麻省理工學院) in June 2021.

Dr. Shi Qing (史清), aged 48, has been appointed as an independent non-executive Director effective from the Listing Date and he is primarily responsible for supervising and providing independent judgement to our Board.

Dr. Shi has over 19 years of experience in the research and development industry. He has been serving as the Chairman and Chief Technology Officer of Motorcomm Electronic Technology Co., Ltd. (裕太微電子股份有限公司) (a company with principal business of development, design and sales of communication chips listed on the Shanghai Stock Exchange, stock code: 688515), since June 2017. Between July 2007 and May 2017, Dr. Shi served as the research and development director of Qualcomm Enterprise Management (Shanghai) Co. Ltd. (高通企業管理(上海)有限公司), a telecommunication company. Prior to that, Dr. Shi served as a research and development scientist of Alcatel Shanghai Bell Co., Ltd (上海貝爾阿爾卡特股份有限公司) (currently known as Nokia Shanghai Bell Co., Ltd. (上海諾基亞貝爾股份有限公司)), a telecommunication company, from December 2006 to June 2007. From July 2005 to November 2006, Dr. Shi served as a research and development manager of Shanghai Galileo Ltd. (上海伽利略導航有限公司) (currently known as Shanghai Galileo Industries Ltd. (上海北伽導航科技有限公司)), a company with principal business of research and industrialization of satellite navigation.

Dr. Shi obtained his doctorate degree in Microelectronics and Solid State Electronics from Shanghai Institute of Microsystem and Information Technology (中國科學院上海微系統與信息技術研究所) in March 2006, and his degree of Bachelor of Science in Physics Microelectronics from Nanjing University (南京大學) in July 2000.

SENIOR MANAGEMENT

Mr. Xu Shiwei, Chairman of the Board, executive Director, chief executive officer and chief technical officer of the Company. Please refer to the section headed "Executive Directors" in this section.

Ms. Chen Yiling, executive Director and chief operation officer of the Company. For the biographical details of Ms. Chen, please refer to the section headed "Executive Directors" in this section.

Mr. Zhang Yuanhao (張袁昊), aged 35, is the head of finance department and joint company secretary of the Company. He is primarily responsible for daily management of finance department, handling corporate governance related matters and providing assistance to the Board.

Mr. Zhang has over 12 years of experience in the finance industry. Mr. Zhang joined our Group in May 2015 initially as a financial manager and was promoted to be the head of our finance department in October 2018. Prior to joining our Group, from September 2012 to May 2015, Mr. Zhang worked as an auditor in the Shanghai branch office of Ernst & Young Hua Ming LLP (安永華明會計師事務所), an accounting firm.

Mr. Zhang obtained a degree of Bachelor of Management in Accounting from Fudan University (復旦大學) in July 2012. He has been a non-practicing member of Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) since June 2015. He passed the National Judicial Exam organized by the Ministry of Justice of the PRC in March 2016.

Ms. Li Lina (李麗娜), aged 41, is the head of human resources department of the Company. She is primarily responsible for the management of the human resources department and oversees recruitment and employee relations.

Ms. Li has over 16 years of experience in the human resources industry. Ms. Li joined our Group in November 2017 and has been serving as a manager, a senior manager, director of remuneration and benefits in our human resources department and was subsequently appointed as the head of human resources department in December 2021. Prior to joining our Group, Ms. Li served as remuneration and benefits manager at the group of Bilibili Inc., (嗶哩嗶哩股份有限公司), a company listed on the Stock Exchange (stock code: 9626) and the NASDAQ (stock code: BILI)) from May 2016 to November 2017 and as the head of the human resources at the group of Namchow Holdings Co., Ltd. (南僑投資控股股份有限公司), a company listed on the Taiwan Stock Exchange (stock code: 1702), from April 2011 to May 2016, in which she was responsible for supervising human resources matters. From July 2008 to May 2010, she worked at Joyoung Co., Ltd. (九陽股份有限公司), a home appliance manufacturer, as a human resources officer and recruitment specialist and was responsible for the establishment of salary incentive policy and staff recruitment.

Ms. Li obtained a degree of Bachelor of Engineering in Communication Engineering from Daqing Petroleum College (大慶石油學院) (currently known as Northeast Petroleum University (東北石油大學)) in July 2007.

Mr. Jiang Wenlong (江文龍), aged 37, is the deputy chief technical officer of the Company. He is primarily responsible for product research and development of our Group.

Mr. Jiang has over 12 years of experience in the cloud computing industry. He joined our Group in August 2012 initially as a senior developer for server development. He was promoted to be a technical director in May 2013 to oversee the research and development of cloud storage products. Mr. Jiang was further promoted to be our senior R&D director in May 2019 and was responsible for the research and development focusing areas such as cloud storage, CDN and live broadcast.

Mr. Jiang obtained a degree of Bachelor of Engineering in Software Engineering from Xiamen University (廈門大學) in June 2010. In November 2016, Mr. Jiang received the Shanghai Scientific and Technological Award (Third Class) (上海市科學技術獎三等獎) for his participation in the development of cloud storage framework and data management platform for developers from Shanghai Municipal People's Government (上海市人民政府).

DIRECTORS' REPORT

The Board of Directors is pleased to present this directors' report and the audited consolidated financial statements of the Group for the Reporting Period.

GLOBAL OFFERING

The Company is a limited liability company incorporated in the British Virgin Islands on May 23, 2011 and re-domiciled and continued in the Cayman Islands on June 14, 2023. The Shares have been listed and traded on the Main Board of the Stock Exchange since October 16, 2024. Details on the use of the net proceeds from the Global Offering are set out in the section headed "Use of the Net Proceeds from the Global Offering" of this directors' report.

PRINCIPAL ACTIVITIES

The Company is a leading audiovisual cloud services provider in China. The business analysis of the Group by business segment for the year ended December 31, 2025 is set out in Note 4 to the consolidated financial statements included in this annual report.

RESULTS

The results of the Group during the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 104 to 105 of this annual report.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the year ended December 31, 2025. No shareholder waives or agrees to waive any dividend arrangement.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the AGM to be held on Friday, May 15, 2026, the register of members of the Company will be closed from Tuesday, May 12, 2026 to Friday, May 15, 2026, both days inclusive, during which no transfer of shares will be registered. The record date will be Friday, May 15, 2026. To qualify for attending and voting at the AGM, Shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, May 11, 2026 for registration of the relevant transfer.

BUSINESS REVIEW

The review of the Group's business during the Reporting Period and the discussion on future business development are set out in the section headed "Management Discussion and Analysis" on pages 10 to 24 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Due to the nature of its business, the Group does not produce any hazardous substances or pollutants in the course of business operation. During the Reporting Period, the Group did not incur any expenses for any failure of compliance with applicable environmental laws and regulations.

The environmental, social and governance report of the Company prepared in accordance with Appendix C2 to the Listing Rules will be published on the websites of the Company and the Stock Exchange at the same time as the publication of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group is subject to various PRC laws and regulations in the course of daily operation. For details, please refer to the section headed “Regulatory Environment” of the Prospectus.

During the Reporting Period, the Group was not involved in any non-compliance incidents that resulted in fines, enforcement actions or other penalties to the Group which, in turn, may individually or as a whole have a material adverse impact on the Group’s business, financial conditions or operating results, and the Group had complied with applicable PRC laws and regulations in all material aspects.

MAIN RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that its success depends on the support of key stakeholders, including employees, customers and suppliers.

EMPLOYEES

As of December 31, 2025, the Group had 338 full-time employees, including 226 male and 112 female employees.

The Group believes that the Group has always maintained a good relationship with its employees. The employees of the Group have not participated in any labor union. As of December 31, 2025, the Group did not experience any strikes or any labor disputes with its employees which have had or are likely to have a material effect on the Group’s business.

The Group’s employees typically enter into standard employment contracts with the Group. The Group places high value on recruiting, training and retaining its employees. The Group maintains high recruitment standards and provides competitive compensation packages. Remuneration packages for the Group’s employees mainly comprise base salary and bonus. The Group also provides both in-house and external trainings for its employees to improve their skills and knowledge. For the year ended December 31, 2025, total employee benefit expenses including director’s and chief executive’s remuneration (which may include share-based payments and pension scheme contributions and social welfare) amounted to RMB227.1 million.

The Group contributes to social security insurance and housing provident funds for its employees in accordance with applicable PRC laws, rules and regulations in all material aspects. We have granted and planned to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development. Details of the Post-IPO Share Option Scheme are set out in the section headed “Post-IPO Share Option Scheme” of this directors’ report.

CUSTOMERS

The Group's customers spanned across various industries including, among others, pan-entertainment, social networking, healthcare, e-commerce, education, media, financial services, automotive, telecommunications and intelligent manufacturing. The Group has maintained stable and good business relationships with our top five customers from one to 12 years (as of December 31, 2025). For the year ended December 31, 2024 and 2025, we did not have any substantial reliance on any single customer. Our revenue generated from our largest customer for the year ended December 31, 2024 and 2025 accounted for 19.8% and 19.5%, respectively, of our revenue during the year. Our revenue generated from our five largest customers for the year ended December 31, 2024 and 2025 accounted for 38.8% and 42.5%, respectively, of our revenue during the year. The Group generally settles with customers by wire transfer.

SUPPLIERS

The Group's suppliers primarily consist of enterprises in the cloud technology industry that provide (i) network and bandwidth services, (ii) IDC services and (iii) server and storage services. The Group has maintained stable and good business relationships with our top five suppliers from one to five years (as of December 31, 2025). Our transaction amounts with our largest supplier for the year ended December 31, 2024 and 2025 accounted for 5.0% and 9.1%, respectively, of our total purchase during the year. Our transaction amounts with our five largest suppliers for the year ended December 31, 2024 and 2025 accounted for 20.1% and 33.6%, respectively, of our total purchase amounts during the year. The suppliers of the Group generally settle with the Group via wire transfer.

During the Reporting Period, none of the Directors, any of their close associates or any Shareholders who, to the knowledge of the Directors, own more than 5% of the number of issued shares of the Company, had an interest in the top five customers or suppliers of the Group.

MAIN RISKS AND UNCERTAINTIES

Some of the main risks faced by the Group included:

1. Market competition risk

The audiovisual cloud service market is rapidly evolving and competition continues to be increasingly fierce. The principal competitive factors in our market include research and development capabilities, industry know-how, continuous capital investment, product portfolio, among others. Some of our existing competitors might have substantial competitive advantages, including larger scale, longer operating history, greater brand recognition, more established relationships with customers, suppliers and partners, and greater financial, research and development, marketing and other resources. In addition, emerging and enhanced technologies are likely to further intensify competition of our industry. Intensified competition may result in price reduction of our products and solutions, a decrease in our profit margins, loss of market share and increased difficulty in market penetration, which may have a material adverse effect on our business, prospects, financial conditions and results of operation. If we are unable to compete successfully against our current or potential competitors, our business, financial condition, and results of operations may be materially and adversely impacted.

2. Industry development risk

Our business, growth and prospects are significantly affected by the audiovisual PaaS industry, in particular, the growth in the audiovisual APaaS industry, which is a fairly new market in China. This growth has placed and may continue to place significant demands on our managerial, administrative, operational, financial and other resources. Furthermore, we intend to grow by expanding our business, increasing market penetration of our existing products and solutions and developing new ones. To maintain our growth, we need to attract more customers, hire more qualified R&D staff and other staff, scale up our offerings and strengthen our technology infrastructure. If we fail to efficiently manage the expansion of our business, our costs and expenses may increase faster than we planned and we may not successfully attract a sufficient number of customers and users in a cost-effective manner, respond to competitive challenges, or otherwise execute our business strategies.

3. Net cash outflow risk

We continued to incur net loss during the year ended December 31, 2025, as we strategically prioritized expansion and market share growth instead of short-term profitability given the audiovisual cloud service market, especially the audiovisual APaaS market, is at its early development stage in China. During the year ended December 31, 2025, our cash used in operating activities was principally for cost of sales including network and bandwidth costs and server and storage costs, selling and marketing expenses, administrative expenses and research and development expenses. There is no assurance that we will not experience periods of net operating cash outflow in the future. If we continue to record net operating cash outflow in the future, our working capital may be constrained which may adversely affect our business and financial condition.

4. Security breaches and information technology risk

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

FINANCIAL SUMMARY

The summary of the results and assets and liabilities of the Group for the past five financial years is set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF THE NET PROCEEDS FROM THE GLOBAL OFFERING

The net proceeds received from the Global Offering of our Company in October 2024, after deducting the underwriting fees and commissions and expenses payable by our Company in connection with the Global Offering, amounted to approximately HK$369.7 million. Our Company did not exercise the over-allotment option. For the year ended December 31, 2025, the net proceeds from the Global Offering were utilized in the manner as follows:

	Approximate percentage of the total net proceeds	Net proceeds from the Global Offering (HKD in millions)	Net proceeds unutilized as of January 1, 2025 (HKD in millions)	Actual use of proceeds during the Reporting Period (HKD in millions)	Net proceeds utilized as of December 31, 2025 (HKD in millions)	Remaining net proceeds as of December 31, 2025 (HKD in millions)	Expected time to utilize the remaining
Penetrating and deepening our presence in the application scenarios of our APaaS business and developing and expanding our customer base	**38.0%**	**140.5**	**133.4**	**40.8**	**47.9**	**92.6**	**By the end of the year ending December 31, 2028**
Purchasing network and bandwidth and servers	15.0%	55.5	50.1	26.7	32.1	23.4	
Enhancing our sales and marketing function – enhancing our brand awareness through online channels	9.0%	33.2	31.7	8.4	9.9	23.3	
Recruiting personnel for developing and accumulating more in-depth scenarios in APaaS	14.0%	51.8	51.6	5.7	5.9	45.9	
Expanding our overseas business	**20.0%**	**73.9**	**69.9**	**14.3**	**18.3**	**55.6**	**By the end of the year ending December 31, 2028**
Enhancing our overseas IT infrastructure	8.0%	29.6	25.6	14.3	18.3	11.3	
Establishing local teams in various regions and countries	12.0%	44.3	44.3	–	–	44.3	
Enhancing our research and development capabilities and improving our technology infrastructure	**12.0%**	**44.4**	**42.7**	**15.5**	**17.2**	**27.2**	**By the end of the year ending December 31, 2028**
Building our AIGC capabilities	8.0%	29.6	28.1	12.1	13.6	16.0	
Upgrading and iterating our low-code platform	4.0%	14.8	14.6	3.4	3.6	11.2	
Selected mergers, acquisitions, and strategic investments	**20.0%**	**73.9**	**73.9**	**–**	**–**	**–**	**By the end of the year ending December 31, 2028**
Working capital and general corporate purposes	**10.0%**	**37.0**	**34.0**	**12.9**	**15.9**	**21.1**	**By the end of the year ending December 31, 2028**
Total	**100%**	**369.7**	**353.9**	**83.5**	**99.3**	**270.4**	

As of December 31, 2025, our Group has utilized HK$99.3 million of the net proceeds from the Global Offering, and the remaining net proceeds of HK$270.4 million were deposited with licensed banks in Hong Kong or Chinese mainland. Our Group will further utilize the net proceeds from the Global Offering in the manner as set out in the section headed "Future Plans and Use of Proceeds" of the prospectus of our Company dated September 30, 2024.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed in the section headed "Material Acquisition, Disposal of Subsidiaries, Associates and Joint Ventures and Significant Investment" in this report, the Group did not have any other future plans for material investment and capital assets as of the Latest Practicable Date.

PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, details of the changes in the property, plant and equipment of the Company and the Group are set out in Note 13 to the consolidated financial statements in this annual report.

SHARE CAPITAL

During the Reporting Period, the details of the changes in the Company's share capital are set out in Note 28 to the consolidated financial statements in this annual report.

RESERVES

The details of the changes in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity on pages 108 to 109 of this annual report.

TAX CREDIT

The Directors are not aware of any tax credit available to the Shareholders by reason of their holding of the Company's securities.

BANK BORROWINGS

Details of the bank borrowings of the Company and its subsidiaries during the Reporting Period are set out in Note 24 to the consolidated financial statements in this annual report.

DIRECTORS' REPORT

DIRECTORS

During the Reporting Period and up to the Latest Practicable Date, the Directors are as follows:

Executive Directors:
Mr. Xu Shiwei *(Chairman and Chief Executive Officer)*
Ms. Chen Yiling *(Chief Operating Officer)*

Non-Executive Director:
Mr. Lyu Guihua

Independent Non-Executive Directors:
Mr. Zhou Zheng
Dr. Shi Qing
Mr. Wei Shaojun

Pursuant to Article 26.3 of the Articles of Association, the Directors may appoint any person as a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles of Association as the maximum number of Directors. Any Director so appointed shall hold office only until the first AGM after such Director's appointment and shall then be eligible for re-election at that meeting.

Pursuant to Article 26.4 of the Articles of Association, at every AGM one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 26.3 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall retain office until the close of the meeting at which such Director retires and shall be eligible for re-election at such meeting. The Company at any AGM at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Therefore, Mr. Xu Shiwei and Ms. Chen Yiling shall retire as Directors by rotation at the AGM, and are eligible, and offer themselves for re-election.

The details of the Directors subject to re-election at the AGM will be set out in the AGM circular to the Shareholders.

DIRECTORS AND SENIOR MANAGEMENT

The details of the biographies of Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 25 to 29 of this annual report.

CHANGE IN DIRECTORS' INFORMATION

For the year ended December 31, 2025, the Directors, including the chief executive officer, confirm that there has been no change in any Director's information, including the chief executive officer's information, that is required to be disclosed in accordance with paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation from each of the independent non-executive Directors confirming their independence under Rule 3.13 of the Listing Rules, and the Company considers that all independent non-executive Directors are independent for the year ended December 31, 2025 and up to the Latest Practicable Date.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of Mr. Xu Shiwei and Ms. Chen Yiling, being executive Directors, has entered into a service contract with the Company on March 31, 2025. Each service contract is for a term of one year. The service contracts may be renewed in accordance with the Articles of Association and the Listing Rules.

Each of Mr. Lyu Guihua, being a non-executive Director, and Mr. Zhou Zheng, Dr. Shi Qing and Mr. Wei Shaojun, being independent non-executive Directors, has entered into a letter of appointment with the Company on March 31, 2025. Each letter of appointment is for a term of one year commencing from the effective date of the appointment. The letters of appointment may be renewed in accordance with the Articles of Association and the Listing Rules.

Save as disclosed above, none of the Directors has entered into or intends to enter into any service contract with any member company of the Group (excluding any agreement expiring within one year or terminable by any member company of the Group within one year without compensation (except for statutory compensation).

CONTRACT WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the section headed "Contractual Arrangements" of this directors' report and Note 3 to the consolidated financial statements included in this annual report, for the year ended December 31, 2025, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder or any of its subsidiaries other than the Company, nor was there any contracts of significance between the Company or any of its subsidiaries and the Controlling Shareholder or any of its subsidiaries other than the Company in relation to provision of services during the Reporting Period.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Contractual Arrangements" of this directors' report and Note 3 to the consolidated financial statements included in this annual report, for the year ended December 31, 2025, none of the Directors had, directly or indirectly, a material interest in any transaction, arrangement or contract to which the Company, any of its subsidiaries or fellow subsidiaries is a party and is of significance to the business of the Group.

MANAGEMENT CONTRACTS

During the Reporting Period, the Company has not signed or entered into any contract for the management and administration of all or any important part of its business.

REMUNERATION POLICY

The Remuneration Committee has been established with an aim to review the remuneration policies and remuneration structure of the Group for the Directors and senior management based on the Group's operating results, the personal performance of Directors and senior management of the Company, and comparable market practices.

Details of the remunerations of the Directors and the five highest paid individuals during the Reporting Period are set out in Note 8 and Note 9 to the consolidated financial statements in this annual report.

RETIREMENT AND EMPLOYEE BENEFITS SCHEMES

The Group only operate defined contribution pension plans. The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

No forfeited contribution (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) is available to be utilized by the Group to reduce the contributions payable in the future years or to reduce the Group's existing level of contributions to the pension scheme.

Details of the Company's pension and employee benefit schemes are set out in Note 2.4 to the consolidated financial statements in this annual report.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES OR DEBENTURES

As of December 31, 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which have been entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules, are as follows:

Interests in the Shares of the Company

Name of Director/ Chief executive	Nature of interests	Number of Shares	Approximate percentage of the total number of the Company’s shares(2)
Mr. Xu Shiwei	Interest in controlled corporation[3]	329,861,880 (L)	16.48%
	Interest of a party to an agreement[4]	742,707,099 (L)	37.10%
Mr. Lyu Guihua	Interest in controlled corporation[5]	108,052,380 (L)	5.40%
Ms. Chen Yiling	Beneficial owner[6]	50,400,000 (L)	2.52%

Notes:

1. The letter “L” denotes a long position in these shares.
2. As of December 31, 2025, the Company had 2,001,720,275 issued shares in total.
3. Mr. Xu Shiwei is interested in 329,861,880 Shares held by Dream Galaxy, a company wholly owned by Mr. Xu Shiwei.
4. Under the Voting Proxy Arrangements, Mr. Xu Shiwei will be entitled to exercise the voting rights attached to 742,707,099 Shares in aggregate.
5. Mr. Lyu Guihua is interested in 108,052,380 shares held by Dustland, a company wholly owned by Mr. Lyu Guihua.
6. Ms. Chen Yiling is interested in 50,400,000 share options granted to her under the Pre-IPO Share Plan.

Save as disclosed above, during the year ended December 31, 2025, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which shall be entered in the register required to be kept pursuant to section 352 of the SFO, or which shall be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

Except as disclosed in this annual report, the Company or its subsidiaries or Consolidated Affiliated Entities did not enter into any arrangement at any time during the Reporting Period to enable the Directors to acquire benefits by purchasing the shares or debentures of the Company or any other corporation, and no directors or their spouses or children under the age of 18 had been granted any right to subscribe for the equity or debt securities of the Company or any other corporation, or had exercised any such right.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, to the knowledge of the Directors, the following persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held	Approximate percentage of Shares in issue
Dream Galaxy	Beneficial owner[3]	329,861,880 (L)	16.4789%
	Interest of a party to an agreement	742,707,099 (L)	37.1034%
Ms. Zhou Pei	Interest of spouse[4]	329,861,880 (L)	16.4789%
Taobao China	Beneficial owner	324,912,456 (L)	16.2317%
Magic Logistics	Beneficial owner	228,437,469 (L)	11.4121%
MPCs[5]	Beneficial owner	146,454,957 (L)	7.3165%
Qiming Funds[6]	Beneficial owner	125,515,665 (L)	6.2704%
EverestLu	Beneficial owner	134,543,304 (L)	6.7214%
Dustland[7]	Beneficial owner	108,052,380 (L)	5.3980%
Ms. Chen Mingxing	Interest of spouse[8]	108,052,380 (L)	5.3980%

Notes:

1. The letter "L" denotes a long position in these shares.

2. As of December 31, 2025, the Company had 2,001,720,275 issued shares in total.

3. Dream Galaxy is a company wholly owned by Mr. Xu Shiwei.

4. Ms. Zhou Pei (周培) is the spouse of Mr. Xu Shiwei. Under SFO, Ms. Zhou is deemed to be interested in the same number of Shares in which Mr. Xu Shiwei is interested.

5. MPCs held 131,809,455 Shares through MPC II L.P. and 14,645,502 Shares through MPC II-A L.P., respectively.

6. Qiming Funds held 103,258,440 Shares through Qiming Venture Partners III, L.P., 19,002,663 Shares through Qiming Venture Partners III Annex Fund, L.P. and 3,254,562 Shares through Qiming Managing Directors Fund III, L.P., respectively.

7. Dustland is a company wholly owned by Mr. Lyu Guihua.

8. Ms. Chen Mingxing (陳明星) is the spouse of Mr. Lyu Guihua. Under the SFO, Ms. Chen is deemed to be interested in the same number of Shares in which Mr. Lyu Guihua is interested.

Save as disclosed above, as of December 31, 2025, to the knowledge of the Directors, no other persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which are required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or which shall be entered in the register referred to in section 336 of the SFO.

PRE-IPO SHARE PLAN

The Company has adopted a Pre-IPO Share Plan on January 14, 2013, as supplemented and amended on June 13, 2014, July 12, 2017, October 25, 2018 and May 11, 2023.

(a) Purpose of the Pre-IPO Share Plan

The purposes of the Pre-IPO Share Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors, and consultants and to promote the success of our Company's business by offering these individuals or entities an opportunity to acquire a proprietary interest in the success of our Company, or to increase this interest by permitting them to acquire shares. The Pre-IPO Share Plan provides both for the direct award or sale of shares and for the grant of share options to purchase shares.

(b) Eligible Participants of the Pre-IPO Share Plan

(i) Only Service Providers, or trusts or companies established in connection with any employee benefit plan of the Company (including the Pre-IPO Share Plan) for the benefit of a Service Provider, are eligible for the grant of shares under the Pre-IPO Share Plan.

(ii) Only employees are eligible for the grant of share options under the Pre-IPO Share Plan.

"Employees" means (1) employees (including directors and officers) of our Company, our holding companies and our subsidiaries; and (2) our Directors.

"Service Providers" means (1) Employees; and (2) any person who is engaged by the Company, our holding companies, our subsidiaries or variable interest entity whose financial statements are intended to be consolidated with our Company, our holding companies or our subsidiaries to render bona fide consulting or advisory services to such entity and who is compensated for the services.

(c) Administration

The Pre-IPO Share Plan shall be administered by the chief executive officer of our Company or such other person approved and appointed by the Board as the administrator (the "**Administrator**") or his delegates.

(d) Grant of the shares or Right to Purchase shares

Pursuant to the Pre-IPO Share Plan, each grantee of the shares or the right to purchase shares (the "**Share Purchase Right**") is required to accept the award by entering into a share award agreement (the "**Share Award Agreement**") or a share purchase agreement (the "**Restricted Share Purchase Agreement**") (as the case may be), which set forth the terms and conditions of the relevant grant of shares or Share Purchase Right (as the case may be), with our Company.

(i) Duration of offers of Share Purchase Right – any Share Purchase Rights granted shall automatically expire if not exercised within 30 days (or such longer time as is specified in the Restricted Share Purchase Agreement) after the Date of Grant.

(ii) Purchase price – the purchase price, if any, shall be determined by the Administrator in its sole discretion as set forth in the applicable Restricted Share Purchase Agreement or Share Award Agreement.

(iii) Restrictions on Transfer of shares – any shares awarded or sold pursuant to Share Purchase Right shall be subject to such special forfeiture conditions, rights of repurchase or redemption, rights of first refusal, market stand-offs, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Restricted Share Purchase Agreement or Share Award Agreement, as applicable, and shall apply in addition to any restrictions that may apply to holders of shares generally.

(e) Grant of the Share Options

Pursuant to the Pre-IPO Share Plan, each grantee of the share options is required to accept the share options by entering into an option agreement (the "**Option Agreement**"), which set forth the terms and conditions of the relevant grant of share options, with our Company. No consideration is required to be paid by the relevant grantee to accept the grant of share options.

(i) Time of exercise of option – each Option Agreement shall specify the date when all or any instalment of the option is to become exercisable. Each Option Agreement shall also specify the term of the relevant share options granted to an eligible person; provided, however, that the term shall not exceed ten (10) years from the date of grant.

(ii) Price of shares – the exercise price per share in respect of any particular share option granted under the Pre-IPO Share Plan shall be as set forth in the relevant Option Agreement.

(iii) Termination – unvested share options shall lapse and shall not be vested in the relevant selected grantee upon the occurrence of any of the following events:

- A grantee ceases to be a Service Provider for any reason other than because of death, then the grantee's share options shall expire on the earliest of the following occasions:

  (A) the expiration date of such share options;

  (B) the 30th day following the termination of the grantee's relationship as a Service Provider for any reason other than disability, or such later date as specify in the Option Agreement; or

  (C) the last day of the six-month period following the termination of the grantee's relationship as a Service Provider by reason of disability, or such later date as specify in the Option Agreement.

- In the case of that a grantee passes away while a Service Provider, then the grantee's share options shall expire on the earlier of the following dates:

  (A) The expiration date; or

  (B) The last day of the six-month period immediately following the grantee's death, or such later date as specify in the Option Agreement.

(f) Rights are personal to grantee

Any grant of shares, Share Purchase Right or share option is personal to the grantee and may be exercised in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party unless (i) by will or applicable laws of descent and distribution or pursuant to a qualified domestic relations order or (ii) by trusts or companies established in connection with any employee benefit plan of our Company (including the Pre-IPO Share Plan) for the benefit of a Service Provider or Service Providers.

(g) Ranking of shares

The shares awarded, purchased, or to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject as aforesaid, shares to be allotted on the exercise of options will rank pari passu and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the fully-paid shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights including those arising on a liquidation of the Company and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(h) Maximum number of shares to be granted or issued

The maximum number of shares which may be granted or allotted and issued pursuant to the share options granted under the Pre-IPO Share Plan shall not exceed 18,107,143 shares (without taking into account effect of the Capitalization Issue) (as appropriately adjusted for subsequent stock splits, stock dividends and the like).

(i) Effect of alterations to capital

Subject to any required action by the members of the Company in accordance with applicable law, the class(es) and number and type of shares of each outstanding award (not being returned, cancelled or expired pursuant to the terms of the Pre-IPO Share Plan), as well as the purchase price per share or the exercise price per share option, shall be proportionately adjusted for any increase, decrease, or change in the number or type of outstanding shares or other securities of the Company or exchange of outstanding shares or other securities of the Company into or for a different number or type of shares or other securities of the Company or successor entity, or for other property (including, without limitation, cash) or other change to the shares resulting from a share split, reverse share split, share dividend, dividend in property other than cash, combination of shares, exchange of shares, combination, consolidation, recapitalization, reincorporation, reorganization, change in corporate structure, reclassification, or other distribution of the shares effected without receipt of consideration by the Company. The adjustment shall be made by our Board, whose determination shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of equity securities of the Company of any class, or securities convertible into equity securities of the Company of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number, type, or price of shares subject to an award.

(j) Termination

The Pre-IPO Share Plan shall terminate on the earlier of:

(i) The 20th anniversary date of the date of adoption; and

(ii) Such date of early termination as determined by the Board.

As of the Latest Practicable Date, no shares or the Share Purchase Right had been granted pursuant to the Pre-IPO Share Plan.

(k) Outstanding Grants

As of the Latest Practicable Date, the total number of outstanding share options granted under the Pre-IPO Share Plan is 115,318,941 options, and if exercised in full, representing approximately 5.76% of the issued share capital of our Company.

Particulars and movements of the share options granted to our Directors, members of our senior management and other employees of the Group under the Pre-IPO Share Plan during the Reporting Period are as follows:

Name or category of grantee	Position	Date of grant	Expiry date	Exercise price per share	Number of shares subject to outstanding options as of January 1, 2025	Granted during the year ended December 31, 2025	Exercised during the year ended December 31, 2025	Cancelled during the year ended December 31, 2025	Lapsed during the year ended December 31, 2025	Number of Shares subject to outstanding options as of December 31, 2025	Exercise period
Director											
Chen Yiling	Executive Director	October 8, 2014 November 25, 2018 January 25, 2019 August 25, 2020 October 25, 2022	October 8, 2034 November 25, 2028 January 25, 2029 August 25, 2030 October 25, 2032	US$0.0459 to US$0.1889	50,400,000	-	-	-	-	50,400,000	From the date of vesting to expiry date
Senior Management											
Zhang Yuanhao	Head of finance department and joint company secretary	August 25, 2015 March 25, 2016 September 25, 2019 April 25, 2022	August 25, 2035 March 25, 2036 September 25, 2029 April 25, 2032	US$0.0459 to US$0.3000	765,000	-	-	-	-	765,000	From the date of vesting to expiry date
Li Lina	Head of human resources department	February 25, 2018 September 25, 2019 August 25, 2020 May 25, 2023	February 25, 2028 September 25, 2029 August 25, 2030 May 25, 2033	US$0.1667 to US$0.3000	1,089,684	-	-	-	-	1,089,684	From the date of vesting to expiry date
Jiang Wenlong	Deputy chief technical officer	August 1, 2013 August 1, 2014 November 25, 2018 January 25, 2019 November 25, 2022	August 1, 2033 August 1, 2034 November 25, 2028 January 25, 2029 November 25, 2032	US$0.0150 to US$0.01667	9,900,000	-	-	-	-	9,900,000	From the date of vesting to expiry date
Other											
Other employees	N/A	From August 1, 2013 to August 25, 2024	From February 25, 2027 to November 25, 2036	US$0.015 to US$0.3	69,070,509	-	5,075,801	4,014,958	-	59,979,750	From the date of vesting to expiry date
Total					131,225,193	-	5,075,801	4,014,958	-	122,134,434	-

Notes:

(1) There are no share options granted to suppliers of goods or services or other participants under the Pre-IPO Share Plan.

(2) The validity period of the granted options will be ten years from the date of grant.

During the Reporting Period, save as disclosed above, the Company did not grant or agree to grant any other Share Options pursuant to the Pre-IPO Share Plan.

As of the Latest Practicable Date, taking into account the options granted, repurchased and lapsed, all the options available for granting under the Pre-IPO Share Plan have been fully granted and no further options could be granted pursuant to the Pre-IPO Share Plan.

POST-IPO SHARE OPTION SCHEME

The Company has adopted a Post-IPO Share Option scheme approved by a written resolution passed by the then Shareholders on September 25, 2024 and has taken effect from the Listing Date (the "**Post-IPO Share Option Scheme**").

(a) Purpose of the Post-IPO Share Option Scheme

The purpose of the Post-IPO Share Option Scheme is to enable our Company to grant share options ("**Share Options**") to Eligible Participants (as defined below) as incentives or rewards for their contribution or potential contribution to our Company and/or any of its subsidiaries, to retain high-calibre employees and to maintain long term relationships with Service Providers (as defined below). The Directors consider that it is appropriate to reward selected participants' contribution to our Group by granting Share Options to them since it will link the value of our Company with the interests of the selected participants and will provide them with an incentive to work for the interests of our Group.

(b) Eligible Participants of the Post-IPO Share Option Scheme

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants ("**Eligible Participants**"), to take up Share Options to subscribe for Shares:

1. Directors and employees of any member of our Group (including persons who are granted Share Options or awards under the scheme as an inducement to enter into employment contracts with any member of our Group) (the "**Employee Participants**");

2. Directors and employees of the holding companies, fellow subsidiaries or associated companies of our Company (the "**Related Entity Participants**"); and

3. Persons who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group and exclude (for the avoidance of doubt) (A) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions, (B) professional service providers (such as auditors or valuers) who provide assurance, or are required to perform their services with impartiality and objectivity ("**Service Providers**"), who fall under the following category or categories or who may meet with the eligibility criteria below:

   i. suppliers: Service Providers under this category are mainly suppliers, which supply cloud services and electronic equipments;

   ii. contractors, agents, consultants and advisers: Service Providers under this category are mainly independent contractors, agents, consultants and advisers who provide design, research, development or other support or any advisory, consultancy, professional or other services to our Group on areas relating to our Group's main businesses and/or other principal business activity(ies) that may be carried out by our Group from time to time, or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of our Group by way of introducing new customers or business opportunities to our Group and/or applying their specialised skills and/or knowledge in the abovementioned fields; or

   iii. business and joint venture partners: Service Providers under this category are mainly business and joint venture partners who provide services to our Group on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of our Group by way of introducing new customers or business opportunities to our Group.

   The eligibility of any of the Eligible Participants to the grant of Share Options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his/her contribution to the development and growth of our Group.

(c) Offer and grant of Share Options

No grant of Share Options shall be made after inside information has come to our Company's knowledge until (and including) the trading day after our Company has announce such inside information pursuant to the requirements of the Listing Rules. In particular, no Share Options shall be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of results for any year or half-year period in accordance with the Listing Rules (whether or not required under the Listing Rules).

If the Board determines to offer a Share Options to an Eligible Participant, the Board shall forward to the relevant Eligible Participant a letter which states (the "**Offer Letter**"), among others, (a) the Eligible Participant's name, address and occupation; (b) the Offer Date (as defined below); (c) the acceptance date; (d) the commencement date of the Share Option Period (as defined below); (e) the Vesting Period (as defined below) and vesting conditions (if any); (f) the number of Shares in respect of which the Share Option is offered; (g) the Exercise Price (as defined below) and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Share Option; (h) the expiry date in relation to that Share Option; (i) the method of acceptance of the Share Option; and (j) such other terms and conditions relating to the offer of the Share Option which in the opinion of the Board are fair and reasonable but not being inconsistent with the Post-IPO Share Option Scheme and the Listing Rules.

An offer of the grant of a Share Option ("**Offer**") shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of offer duly signed by the grantee ("**Scheme Grantee**") with the number of Shares in respect of which such offer is accepted clearly stated therein, together with a remittance in favor of our Company of HK$1.0 by way of consideration for the grant thereof is received by our Company with 7 days from the Offer Date (as defined below). Such remittance shall in no circumstances be refundable and shall be deemed as part payment of the exercise price. Once accepted, the Share Option is granted as from the Offer Date (as defined below).

(d) Exercise price

The exercise price of a Share Option ("**Exercise Price**") shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the Offer Letter), but in any case the Exercise Price shall must be at least the higher of:

1. the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a Business Day (the "**Offer Date**");

2. the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and

3. the nominal value of a Share.

(e) Maximum number of Shares and maximum entitlement of an Eligible Participants

The maximum number of Shares in respect of which Share Options granted under the Post-IPO Share Option Scheme or Share Options and awards granted under the other schemes may be granted is ten (10) per cent. (the "**Scheme Mandate Limit**") of the Shares in issue as of the Listing Date. For the avoidance of doubt, awards already granted before Listing under the Pre-IPO Share Plan will not affect this scheme limit, which relates to awards to be granted after this scheme becomes effective (being the Listing Date).

During the Reporting Period, no Share Options were granted under the Post-IPO Share Option Scheme. The Scheme Mandate Limit as at January 1, 2025 and December 31, 2025 remained the same at 199,664,447 Shares.

The maximum number of Shares in respect of which Share Options granted under the Post-IPO Share Option Scheme or Share Options and awards granted under the other schemes may be granted to the Service Providers is two (2) per cent. (the "**Service Provider Sublimit**") of the Shares in issue as of the Listing Date, which is within the Scheme Mandate Limit. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to the Service Providers, and the importance of striking a balance between achieving the purpose of the Post-IPO Share Option Scheme and protecting Shareholders from the dilution effect from granting a substantial amount of Share Options to the Service Providers, the actual or expected increase in our Group's revenue or profits which is attributable to the Service Providers, the extent of use of Service Provider in our Group's business, the current payment and/or settlement arrangement with the Service Providers, and the fact that our Company expects that a majority of Share Options will be granted to Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants. Given the above, the Directors considered that a sublimit of 2% would not lead to an excessive dilution of existing Shareholders' holdings.

Considering that there are no other share schemes involving grant of Share Options over new Shares, our Group's hiring practice and organisational structures and that the Service Providers have contributed to the long-term growth of our businesses, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable as it provides flexibility to grant Share Options to the Service Providers to achieve the purpose of the Post-IPO Share Option Scheme and the low threshold of 2% can provide adequate safeguard against excessive dilution.

The Service Provider Sublimit as at January 1, 2025 and December 31, 2025 remained the same at 39,932,889 Shares.

Share Options lapsed in accordance with the terms of the Post-IPO Share Option Scheme or any other schemes will not be counted for the purpose of calculating the 10% limit and the Service Provider Sublimit.

Our Company may seek approval of the Shareholders, any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of our Company and their respective associates) in general meeting for refreshing the Scheme Mandate Limit (including the Service Provider Sublimit) after three (3) years from the date of the Shareholders' approval for the last refreshment or the adoption of the Post-IPO Share Option Scheme.

The total number of Shares which may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as "refreshed" must not exceed 10% of Shares in issue (excluding treasury Shares) as of the date of approval of the refreshed scheme mandate. A circular containing the information required under the Listing Rules shall be sent to the Shareholders in connection with the meeting at which their approval will be sought.

The total number of Shares issued and to be issued upon exercise of the Share Options and awards granted to each Eligible Participant (excluding any awards lapsed in accordance with the terms of the Post-IPO Share Option Scheme) in any 12-month period shall not exceed 1% of the Shares in issue (excluding treasury Shares) (the "**Individual Limit**"). Any further grant of Share Options or awards to an Eligible Participant which would result in the Shares issued and to be issued upon exercise of all Share Options and awards granted and to be granted to such Eligible Participant (excluding any awards lapsed in accordance with the terms of the Post-IPO Share Option Scheme) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to our Shareholders' approval in general meeting with such Eligible Participant and his or her close associates (as defined under the Listing Rules, or his or her associate if the Participant is a connected person) abstaining from voting. A circular containing the information required under the Listing Rules shall be sent to the Shareholders. The number and terms (including the exercise price) of the Share Options to be granted to such Scheme Grantee must be fixed before the Shareholders' approval is sought and the date of the meeting of the Board for proposing such further grant of Share Option should be taken as the date of grant for the purpose of calculating the exercise price.

(f) Grant of Share Options to Directors, Chief Executive or Substantial Shareholders or any of their respective associates

Any grant of Share Options to an Eligible Participant who is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive director who is the grantee of the options or awards).

Where our Board proposes to grant any option to an Eligible Participant who is an independent non-executive Director of our Company or a substantial shareholder (with the meaning as ascribed under the Listing Rules) of our Company, or any of their respective associates would result in our Shares issued and to be issued upon exercise of all Share Options and awards already granted and to be granted under the Post-IPO Share Option Scheme and any other share schemes of our Company (excluding any options and awards lapsed in accordance with the terms of the Post-IPO Share Option Scheme) to him/her in the 12-month period up to and including the proposed Offer Date of such grant representing in aggregate more than 0.1% of the total number of Shares in issue (excluding treasury Shares) on the Offer Date, such grant shall be subject to, in addition to the approval of the independent non-executive Directors, the issue of a circular by our Company to its shareholders and the approval of the Shareholders in general meeting at which the relevant Scheme Grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Any change in the terms of Share Options or awards granted to any Scheme Grantee who is a Director, chief executive or substantial shareholder of our Company, or any of their respective associates, must be approved by the Shareholders in general meeting (with such Scheme Grantee, his associates and all core connected person of our Company abstaining from voting in favour), if the initial grant of the Share Options or awards requires such approval (except where the changes take effect automatically under the existing terms of the Post-IPO Share Option Scheme). In such connection, our Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules (or the successor provisions then prevailing).

(g) Exercise of Share Options

A Share Option may be exercised in accordance with the terms of the Post-IPO Share Option Scheme at any time during the period to be determined by our Board at its absolute discretion and notified by our Board to each Scheme Grantee as being the period during which a Share Option may be exercised and in any event, such period shall not be longer than ten (10) years from the date upon which any particular option is granted in accordance with the Post-IPO Share Option Scheme ("**Share Option Period**")

Our Company has no intention to use treasury shares, if any, for the Post-IPO Share Option Scheme.

(h) Vesting

The vesting period for all Share Options granted under the Post-IPO Share Option Scheme (the "**Vesting Period**") shall be the period starting from the Offer Date and ending on the date that the respective Scheme Grantee becomes entitled to exercise his Share Option. The Vesting Period shall not be less than twelve (12) months. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board in any of the following circumstances:

1. Grants of "make-whole" Share Options to new joiners to replace the share awards or Share Options they forfeited when leaving the previous employer;

2. Grants to an Employee Participant whose employment is terminated due to death, ill-health, injury or disability or occurrence of any out of control event;

3. grants that are made in batches during a year for administrative and compliance reasons, which include Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Share Option would have been granted;

4. grants with a mixed or accelerated vesting schedule such as where the Share Option may vest evenly over a period of 12 months; and

5. grants with performance-based vesting conditions in lieu of time-based vesting criteria.

It is considered that by having the flexibility of having a shorter vesting period, our Group will be in a better position to attract and retain such Eligible Participants to continue serving our Group whilst at the same time providing them with further incentive in achieving the goals of our Group, and thereby, to achieve the purpose of the Post-IPO Share Option Scheme.

(i) Performance target and clawback mechanism

Share Options granted under the Post-IPO Share Option Scheme shall be subject to such vesting conditions as set forth in the Scheme and the respective Offer Letter. Subject to the terms of the Offer Letter, there is no specific performance target that must be achieved before a Share Option could be exercised by the Scheme Grantee and there is no clawback mechanism to recover or withhold the remuneration (which may include any Share Options granted) to any Scheme Grantee.

(j) Share Options are personal to the Scheme Grantee

Save for a transfer of Share Option to a vehicle for the benefit of the Scheme Grantee and any family members of such Scheme Grantee which is subject to the grant of waiver by the Stock Exchange, a Share Option shall be personal to the Scheme Grantee and shall not be assignable or transferable. No Scheme Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Share Option, except for the transmission of a Share Option on the death or incapacitation of the Scheme Grantee to this personal representative(s) according to the terms of the Post-IPO Share Option Scheme.

(k) Rights upon death, termination of employment, our Directorship, office or appointment

In the event of the Scheme Grantee ceasing to be an Eligible Participant for any reason other than on his death, ill-health, injury, disability or the termination of his relationship with our Group on one or more of the grounds, such as being guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of our Company and/or any of its Subsidiaries (if so determined by the Board), or any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Scheme Grantee's service contract with our Company or the relevant subsidiary (the "**Specified Grounds**"), the Scheme Grantee may exercise the Share Option up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of one month (or such longer period as the Board may determine) following the date of such cessation (which date shall be, in relation to a Scheme Grantee who is an Eligible Participant by reason of his employment with our Company or any of its subsidiaries, the last actual working day with our Company or the relevant Subsidiary whether salary is paid in lieu of notice or not).

In the case of the Scheme Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events under the Specified Grounds has occurred, the Scheme Grantee or the Personal Representative(s) of the Scheme Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Participant or death to exercise the Share Option in full (to the extent not already exercised).

As stated in the paragraph headed "(h) Vesting" above, the Board may grant a shorter Vesting Period (i.e. less than 12 months) to Employee Participants whose employment is terminated due to death, ill-heath, injury or disability. Should such circumstance occur within 12 months from the Offer Date, the Board may at its discretion grant a shorter Vesting Period to the Scheme Grantee and allow the Scheme Grantee or the personal representative(s) of the Scheme Grantee to exercise the Share Option in full (to the extent not already exercised). The Board believes the flexibility of granting a shorter Vesting Period in exceptional circumstances is essential and should be exercised on a case-by-case basis only.

(l) Rights on takeover

In the event of a general or partial offer, whether by way of takeover offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of our Shares (or all such holders other than the offer or and/or any person controlled by the offer or and/or any person acting in association or concert with the offeror), our Company shall use all reasonable endeavours to procure that such offer is extended to all the Scheme Grantees on the same terms, mutatis mutandis, and assuming that they will become, by exercise in full of the Share Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Scheme Grantee shall be entitled to exercise his option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

(m) Rights on a compromise or arrangement

In the event of a compromise or arrangement between our Company and its creditors (or any class of them) or between our Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all Scheme Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such scheme or arrangement, and thereupon any Scheme Grantee (or her legal personal representative(s)) shall be entitled to exercise all or any of his Share Options in whole or in part at any time prior to 12 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. Our Company may thereafter require such Scheme Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her or its option so as to place the Scheme Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(n) Adjustments to the Exercise Price

In the event of a capitalization issue, rights issue, consolidation or sub-division of Shares, or reduction of the share capital of our company while a Share Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to our company as fair and reasonable will be made to (a) the number of Shares subject to the Post-IPO Share Option Scheme or any share option relates (insofar as it is/they are unexercised); and/or (b) the Exercise Price; and/or (unless the relevant Scheme Grantee elects to waive such adjustment) the number of Shares comprised in a Share Option or which remains comprised in a Share Option, provided that (i) any such adjustment shall give a Scheme Grantee the same proportion of the issued shares in our company (round to the nearest whole share) as that to which such Scheme Grantee was entitled immediately prior to such adjustment; (ii) no such adjustment may be made to the extent that a Share would be issued at less than its nominal value; (iii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring any such adjustment; and (iv) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

(o) Lapse of Share Options

A Share Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

1. the expiry of the Share Option Period;

2. the date of the expiry of the periods for exercising the Share Option;

3. the date of which he offer (or as the case may be, revised offer) closes;

4. the date of the commencement of the winding-up of our Company (as determined in accordance with the Cayman Companies Act);

5. the date on which the Scheme Grantee ceases to be an Eligible Employee by reason of the termination of his or her employment on any one or more of the grounds that he or she voluntarily resigns, or has been guilty of misconduct or has found to have breached the terms of employment during his or her employment (regardless of whether such employment contract has already been terminated) leading to a material loss or damage to our Group, or his or her employment has terminated by reason of the failure of such employment to pass the annual evaluation, or has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at law or pursuant to any applicable laws or under the Scheme Grantee's service contract with our Company or the relevant subsidiary. A resolution of the Board or board of directors of the relevant subsidiary to the effect that employment of a Scheme Grantee has or has not been terminated shall be conclusive;

6. the date on which the Scheme Grantee commits a breach or the Share Options are cancelled in accordance with the Post-IPO Share Option Scheme; or

7. the date that is 30 days after the date on which the Scheme Grantee's employment is terminated by our Company and/or any of its subsidiaries on a ground other than those set forth in (k) above.

(p) Ranking of Shares allotted upon exercise of Share Options

The Shares to be allotted upon the exercise of a Share Option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of our Company as attached to the fully paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

Share issued on the exercise of a Share Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

(q) Duration of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme will remain in force for a period of ten (10) years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

(r) Cancellation of Share Options granted

Any cancellation of Share Options granted must be approved in writing by the Scheme Grantees of the relevant Share Options. Where our Company cancels Share Options, the grant of new Share Options to the same Scheme Grantee may only be made with available unissued Share Options (excluding the Share Options so cancelled) within the Scheme Mandate Limit or the new limits approved by the Shareholders.

(s) Termination of the Post-IPO Share Option Scheme

Our Company may terminate the operation of the Post-IPO Share Option Scheme at any time by resolution of the Board or resolution of our Shareholders in general meeting and in such event no further option will be offered but the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of the Share Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Post-IPO Share Option Scheme. Share Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Post-IPO Share Option Scheme.

(t) Alteration of the provisions of the Post-IPO Share Option Scheme

Any alterations to the terms and conditions of the Post-IPO Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules or relating to the advantage of the Scheme Grantees or the Eligible Participants (as the case may be) must be made with the prior approval of the shareholders of our Company in general meeting at which any persons to whom or for whose benefit the Shares may be issued under the Post-IPO Share Option Scheme and their respective associates shall abstain from voting, provided always that the amended terms of the Post-IPO Share Option Scheme shall continue to comply with the relevant provisions of the Listing Rules and any other applicable laws.

Any change to the terms of Share Options granted to a participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of our Company (as the case may be) if the initial grant of the Share Options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or the shareholders of our Company (as the case may be) (except any alterations which take effect automatically under the terms of the Post-IPO Share Option Scheme).

Any change to the authority of the Board to alter the terms of the Post-IPO Share Option Scheme must be approved by the Shareholders in general meeting.

During the period from the Listing Date to December 31, 2025, the Company did not grant or agree to grant any Share Options pursuant to the Post-IPO Share Option Scheme. The total number of Shares that may be issued under the Post-IPO Share Option Scheme is 199,664,447 Shares, representing 10% of the total number of issued Shares (excluding treasury shares) (i.e. 1,996,644,474 shares) as of the adoption date of the Post-IPO Share Option Scheme and approximately 9.97% of the total number of issued Shares (excluding treasury shares) (i.e. 2,003,520,275 shares) as of the Latest Practicable Date.

2025 SHARE AWARD (EXISTING SHARES) SCHEME

The Company has adopted the 2025 Share Award (Existing Shares) Scheme on August 26, 2025. The source of the Awarded Shares under the 2025 Share Award (Existing Shares) Scheme shall be the existing Shares to be purchased by the trustee (the "**Trustee**") on the Stock Exchange out of cash contributed by the Company which are to be held on trust for the selected participant(s) (the "**Selected Participant(s)**") until such awarded shares (the "**Awarded Shares**") are vested with the Selected Participants in accordance with the scheme rules (the "**Scheme Rules**").

(a) Purposes and objectives

The purposes and objectives of the 2025 Share Award (Existing Shares) Scheme are:

(i) to recognize the contributions by eligible participants (the "**Eligible Participants**") and to provide them with incentives in order to retain them for the continual operation and development of the Group;

(ii) to attract suitable personnel for further development of the Group; and/or

(iii) to further align the interests of the Eligible Participants directly to the Shareholders through participation in the 2025 Share Award (Existing Shares) Scheme.

(b) Administration

The 2025 Share Award (Existing Shares) Scheme is subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the trust deed (the "**Trust Deed**").

The Board may, to the extent permissible under the Listing Rules and other applicable laws and regulations, resolve to delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the Board under Scheme Rules and the Trust Deed.

The Trustee will hold the trust fund, including the Shares and the income derived therefrom, in accordance with the Scheme Rules and the Trust Deed.

The Board may from time to time cause to be paid a contributed amount to the Trust which shall constitute part of the trust fund, for the purchase of Shares and other purposes as set out in the Scheme Rules and the Trust Deed. The grant of awards of the Awarded Shares (the "**Awards**") would not cause any dilution of shareholding of Shareholders.

Subject to the Scheme Rules and the Listing Rules, the Board shall have an absolute discretion to, among the others:

(i) construe and interpret the Scheme Rules, make factual determinations with respect to the administration of the 2025 Share Award (Existing Shares) Scheme, further define the terms used in the 2025 Share Award (Existing Shares) Scheme; and prescribe, amend and rescind the Scheme Rules and other rules and regulations relating to the administration of the 2025 Share Award (Existing Shares) Scheme or the award of Awarded Shares;

(ii) determine the persons who will be the Selected Participant(s) or the excluded participant(s) (the "**Excluded Participant(s)**"), the number of the Awarded Shares to be granted each Selected Participant, the terms and conditions of Awards granted under the 2025 Share Award (Existing Shares) Scheme including but not limited to the grant price, purchase price, vesting dates, vesting conditions and criteria, performance targets, clawback arrangements and other conditions and/or restrictions (if any) applicable to such Awards and the administration of the Awarded Shares;

(iii) make such appropriate and equitable adjustments (including without limitation imposing any additional condition or waiver of any pre-determined conditions) to the terms of Awards granted under the scheme as it deems necessary; and

(iv) give instructions or notices to the Trustee in respect of, including without limitation, purchase of Shares, distribution of Shares, accepting transfer of Shares or other assets into the Trust, etc.

(c) Duration and Termination

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the 2025 Share Award (Existing Shares) Scheme shall be valid and effective for a term of ten (10) years commencing on the August 26, 2025, being the date on which the Board resolved to adopt the 2025 Share Award (Existing Shares) Scheme (the "**Adoption Date**").

Upon termination of the 2025 Share Award (Existing Shares) Scheme, no further grant of Awarded Shares may be made under the 2025 Share Award (Existing Shares) Scheme and all the Awarded Shares granted under the 2025 Share Award (Existing Shares) Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the vesting schedule and conditions of Awarded Shares. All Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the trust fund shall be sold by the Trustee and all net proceeds (after deducting the relevant expenses) will be remitted to the Company.

(d) Operation of the Scheme

Contribution to the Trust

The source of the Awarded Shares shall be the existing Shares to be acquired by the Trustee through transactions on the Stock Exchange as instructed by the Board.

The Board may from time to time cause to be paid a contributed amount to the Trust by way of settlement or otherwise contributed by the Company, any subsidiary, any significant Shareholder or any party designated by the Company as directed by the Board which shall constitute part of the trust fund, for the purchase of Shares and other purposes set out in the Scheme Rules and the Trust Deed.

Subject to the Scheme Rules, the Board may from time to time instruct the Trustee in writing to purchase Shares on the Stock Exchange. Once purchased, the Shares are to be held directly or indirectly by the Trustee for the benefit of the Selected Participants under the Trust until they are vested, on and subject to the terms and conditions of the Scheme Rules and the Trust Deed. On each occasion when the Board instructs the Trustee to purchase Shares on the Stock Exchange, it shall specify the maximum amount of funds to be used and the range of prices at which such Shares are to be purchased. The Trustee may not incur more than the maximum amount of funds or purchase any Shares at a price falling outside the range of prices so specified unless with the prior written consent of the Board.

The Trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. The Shares so purchased and any balance of the funds after completion of the purchase shall form part of the trust fund. Unless otherwise determined by the Board at its discretion, the Trustee shall hold the Awarded Shares until such Shares are transferred to and vested in the Selected Participants in accordance with the Scheme Rules. The Trustee shall not exercise and shall abstain from exercising the voting rights in respect of any Shares held under the Trust.

As of the Latest Practicable Date, the Company has appointed JLT Trust (Hong Kong) Limited, an independent professional trustee, as the Trustee pursuant to the Scheme Rules and the Trust Deed.

Grant of Awards to Selected Participants

The Board may, from time to time, at its sole and absolute discretion select any Eligible Participant for participation in the 2025 Share Award (Existing Shares) Scheme as a Selected Participant and determine the number of Awarded Shares to be awarded to the respective Selected Participants and the terms of the Awards to be made, including the grant price, purchase price, vesting period, vesting conditions and clawback arrangements and such other conditions as the Board deems appropriate.

Subject to the Scheme Rules and the Listing Rules, any grant of Award(s) to any Director, the chief executive or any substantial shareholder of the Company (or any of their respective associates), shall be approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Selected Participant of the Award.

Vesting of Awarded Shares

Subject to the Scheme Rules and the fulfillment of all vesting conditions applicable to the vesting of the Awarded Shares on such Selected Participant, the respective Awarded Shares held by the Trustee on behalf of the Selected Participant under the 2025 Share Award (Existing Shares) Scheme shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Shares and/or the sales proceeds from the sales of the Awarded Shares to be transferred to the Selected Participant in accordance with the Scheme Rules.

Prior to the vesting of the Awarded Shares, any unvested Award(s) made under the 2025 Share Award (Existing Shares) Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the unvested Awarded Shares referable to him pursuant to such Award under the 2025 Share Award (Existing Shares) Scheme.

Prior to the vesting of the Awarded Shares, a Selected Participant is not entitled to any interest or rights attaching to the unvested Awarded Shares, including but not limited to rights to receive dividends.

Lapse and Cancellation of Awards

In the event of the following circumstances, all relevant Award(s) made to a Selected Participant shall automatically lapse and the relevant Awarded Shares shall not vest on the relevant vesting date but shall remain part of the trust fund:

(i) where such person is found to be an Excluded Participant;

(ii) where the labour contract, employment or contractual engagement or service relationship between such person and the Group is terminated by reason of resignation, retirement, death, non-renewal of employment or service contract upon its expiration, termination of employment or service contract in advance through consensus negotiation (regardless of the reasons), dismissal or any other reason;

(iii) where such person has committed a material breach of any agreement, arrangement or understanding between the person and any member of the Group or any holding companies, fellow subsidiaries or associated companies of the Company (the "**Related Entity**") (as the case may be), including any agreement or arrangement relating to confidentiality or non-competition;

(iv) where such person has committed a material breach of any internal policies and regulations of the Group or Related Entity (as the case may be);

(v) where such person has committed a dereliction of duty or serious misconduct;

(vi) where applicable, where such person acts in such manner that may cause conflicts of interest or breach of the duty of diligence to the Group or Related Entity (as the case may be), including working at any entity that competes with the Group or Related Entity (as the case may be), engaging in any profit-making or business activities without the consent of the relevant member of the Group or Related Entity (as the case may be), engaging in any work that is not arranged by the relevant member of the Group or Related Entity (as the case may be) during scheduled working hours without the consent of such member of the Group or Related Entity (as the case may be), engaging in activities that compete with the business operations the Group or Related Entity (as the case may be) or conferring competitive benefits to a competing entity;

(vii) where such person has committed any act of fraud or dishonesty or serious misconduct;

(viii) where such person has been declared or adjudged to be bankrupt or has failed to pay his debts as they fall due or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;

(ix) where such person has been convicted of any criminal offence;

(x) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group or Related Entity (as the case may be); or

(xi) where such person has been convicted of or is being held liable for any offence under or any breach of the securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

The Board may cancel any Award that has not vested or lapsed, provided that:

(i) the Company or any member of the Group has paid to the Selected Participant an amount equal to the Grant Price, if any; or

(ii) the Board has made any arrangement as the Board and Selected Participant may mutually agree in order to compensate him/her for the cancellation of the Awards.

Grant Prohibition Period

No Award shall be made by the Board and no instructions to acquire Shares shall be given to the Trustee under the 2025 Share Award (Existing Shares) Scheme:

(i) where the Company has come to knowledge of any inside information (as defined in the SFO), until (and including) the trading day after the Company has announced the information in accordance with the requirements of the Listing Rules and the SFO;

(ii) in circumstances prohibited by the Listing Rules or where dealings by the Eligible Participant will be prohibited under any code or requirement of the Listing Rules or any applicable laws and regulations; and/or

(iii) during the period commencing 30 days immediately before the earlier of:

(a) the date of the Board meeting for approving the results of the Company for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement for such year, half year, quarterly or interim period (as the case may be), provided that such period will also cover any period of delay in the publication of any results announcement.

No Award shall be made to any Director (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to and including the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to and including the publication date of the results.

(e) Scheme Limit and Individual Sublimit

The Board shall not make any further grant of Award(s) which will result in:

(i) the aggregate number of Shares underlying all Awards made pursuant to the Scheme to exceed 199,664,447 Shares, representing approximately 10% of the total issued Shares (excluding treasury shares) as at the Adoption Date (or such other limit, if any, prescribed by the Listing Rules from time to time); or

(ii) the aggregate number of Awarded Shares granted to each individual Selected Participant under the Scheme and the options and award granted to such Selected Participant under all other share scheme(s) of the Company in any 12-month period to exceed 19,966,444 Shares, representing approximately 1% of the total issued Shares (excluding treasury shares) as at the Adoption Date (or such other limit, if any, prescribed by the Listing Rules from time to time).

The aforesaid limits shall always be subject to the compliance with the Listing Rules that are in-force from time-to-time, including the requirement on maintaining a minimum public float.

As of the Latest Practicable Date, no Shares had been granted pursuant to the 2025 Share Award (Existing Shares) Scheme. The scheme limit and individual limit under the Scheme as at January 1, 2025, December 31, 2025 and the Latest Practicable Date remained the same at 199,664,447 Shares and 19,966,444 Shares, respectively.

EQUITY-LINKED AGREEMENT

Except as disclosed in the section headed "Post-IPO Share Option Scheme" above, there was no equity-linked agreement entered into by the Company or subsisting during the year ended December 31, 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended December 31, 2025, neither the Company nor any of its subsidiaries or its Consolidated Affiliated Entities purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares (as defined under the Listing Rules)), except that the trustee of the 2025 Share Award (Existing Shares) Scheme (adopted by the Company in August 2025), pursuant to the terms of the rules and trust deed of such scheme, purchased on the Stock Exchange a total of 22,206,000 Shares at a total consideration of approximately HK$24,963,000.

As of December 31, 2025, there were no treasury shares held by the Company or any of its subsidiaries or its Consolidated Affiliated Entities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the Latest Practicable Date, none of the Directors or their associates has any interest in any business that directly or indirectly competes with or may compete with the business of the Group.

CONNECTED TRANSACTIONS

For the year ended December 31, 2025, certain related party transactions described in Note 33 to the consolidated financial statements in this annual report constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, and are in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

The Company has conducted the following continuing connected transactions which are required to be disclosed in the annual report under the Hong Kong Listing Rules during the year ended December 31, 2025.

Purchases under the Framework Agreement with Alibaba Cloud Computing Co., Ltd.

Background

During the Reporting Period, we purchased cloud services and electronic equipments from Alibaba Cloud Computing Co., Ltd., which is an associate of Taobao China Holding Limited, one of our substantial shareholders. Pursuant to the framework sales and purchase agreement with Alibaba Cloud Computing Co., Ltd. on June 15, 2023 (the "**Framework Agreement**"), our Group will enter into separate purchases agreement which specify precise scope, specific terms and conditions, method of payment and calculation of consideration for purchases from Alibaba Cloud Computing Co., Ltd. as and when necessary. The initial term of the Framework Agreement commenced on the Listing and expired on December 31, 2025.

Pricing Policies

Before entering into any individual agreement with Alibaba Cloud Computing Co., Ltd., where similar services or products are available in the market, we made reference to the prevailing market rates for similar services and products provided by other third-party service/product providers. In addition, the purchase price was determined with reference to the pricing terms of services and products of comparable quality, quantity, specifications and required time of delivery (where applicable) offered by the independent suppliers to our Group, which should include quotations from at least three independent service/product providers (where available) on our Group's approved suppliers' list. We only entered into an individual agreement when the terms of such agreement is in the best interests of our Company and our Shareholders as a whole.

Reasons for the transactions

Alibaba Cloud Computing Co., Ltd. is one of the largest cloud services providers in China. We have established long-term cooperation relationship with Alibaba Cloud Computing Co., Ltd. since 2017 and throughout the years, we believe that we have mutual understanding of each other's operation, quality control and specific requirements. Alibaba Cloud Computing Co., Ltd. is capable of supplying our Group with products and/or services in a reliable manner with terms not less favourable than other suppliers in the market, which will ensure the smooth business operation of our Group. Therefore, we expect to continue to purchase products and/or services provided by the Alibaba Cloud Computing Co., Ltd. after the Listing. Our Directors are of the view that purchases from Alibaba Cloud Computing Co., Ltd. have been and will continue to be conducted in our Group's ordinary and usual course of business.

Annual cap and historical amount

For the year ended December 31, 2025, the annual cap for the purchases from Alibaba Cloud Computing Co., Ltd.. is set at RMB50,000,000. The aggregate provision of the cloud services by Alibaba Cloud Computing Co., Ltd. for the year ended 31 December 2025 was RMB12,780,000.

Review by and Confirmation of Independent Non-executive Directors

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were: (i) carried out in the ordinary and usual course of business of the Group; (ii) made on normal or better commercial terms (as defined in the Hong Kong Listing Rules); and (iii) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable, and in the interests of the Shareholders as a whole.

Reporting accountant's report on the Group's continuing connected transactions

In respect of the disclosed continuing connected transactions, the reporting accountant of our Company has confirmed that:

a. nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.

b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.

c. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

d. with respect to the aggregate amount of each of the continuing connected transactions set out in the attached list of continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

e. with respect to the disclosed continuing connected transactions with the Consolidated Affiliated Entities under the contractual arrangements, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of the equity interests of the Consolidated Affiliated Entities which are not otherwise subsequently assigned or transferred to the Group.

Save as disclosed above and in the section headed "Contractual Arrangements" of this directors' report, during the Reporting Period, there were no connected transactions or continuing connected transactions which are required to be disclosed by the Company in accordance with the provisions concerning the disclosure of connected transactions under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group for the Reporting Period are set out in Note 33 to the consolidated financial statements included in the annual report.

The related party transactions disclosed in Notes 33 were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

CONTRACTUAL ARRANGEMENTS

Reasons for Entering into Existing and New Contractual Arrangements

Foreign investment activities in the PRC are mainly governed by the Catalog and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2020 Edition) (the "Negative List", together with the Catalog, the "**Relevant PRC Regulations**"), promulgated and amended from time to time jointly by the Ministry of Commerce of the People's Republic of China and the National Development and Reform Commission of the People's Republic of China. Pursuant to the Relevant PRC Regulations, foreign investments in certain industries are subject to restriction or prohibition.

Below table sets out a summary of our businesses and the corresponding business sectors which are subject to foreign investment restriction or prohibition carried out by our PRC operating company under the Relevant PRC Regulations as confirmed by our PRC Legal Advisors:

Operating company of the Group	Description of business	Business sector under the Relevant PRC Regulations	Licenses required for the relevant businesses	Category under the Relevant PRC Regulations
Qiniu Information	Cloud services including clouding computing, storage and delivery	Internet data center services, internet access services, domestic internet protocol virtual private network services and content delivery network services	VAT License (Business types and coverage: Internet data center services, internet access services, domestic internet protocol virtual private network services and content delivery network services)	Prohibited
Qiniu Shenzhen	Cloud services including clouding computing and delivery	Content delivery network services and Internet data center services	VAT License (Business types and coverage: Content delivery network services and Internet data center services)	Prohibited

Operating company of the Group	Description of business	Business sector under the Relevant PRC Regulations	Licenses required for the relevant businesses	Category under the Relevant PRC Regulations
Beijing Kongshan	As of the Latest Practicable Date, Beijing Kongshan did not carry out any substantive business, and intended to develop cloud service relating to Internet data center services	Internet data center services	VAT License (Business types and coverage: Internet data center services) ("**IDC License**")	Prohibited
Qiniu Jiaxing	Cloud services including clouding computing, storage and delivery	Internet data center services, internet access services, domestic internet protocol virtual private network services and content delivery network services	VAT License (Business types and coverage: Internet data center services, internet access services, domestic internet protocol virtual private network services and content delivery network services)	Prohibited

In order to comply with PRC laws and regulations while availing ourselves of international capital markets and maintaining effective control over all of our business operations, we determined that it was not viable for the Company to hold Qiniu Information, Beijing Kongshan, Qiniu Shenzhen and Qiniu Jiaxing directly or indirectly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over the Consolidated Affiliated Entities and Qiniu Jiaxing through the Existing Contractual Arrangements and New Contractual Arrangements, respectively.

We, through Shanghai Kongshan, entered into the Existing Contractual Arrangements with the Registered Shareholders and the Consolidated Affiliated Entities on May 11, 2023 and June 21, 2024, pursuant to which, Shanghai Kongshan has acquired effective control over the financial and operational policies of the Consolidated Affiliated Entities and has become entitled to all the economic benefits derived from their operations.

Given that the Consolidated Affiliated Entities have obtained the necessary license and value-added telecommunication business license for all our business operations, the Board believes that the Consolidated Affiliated Entities are of great significance to the Group.

We, through Jiaxing Kongshan, entered into the New Contractual Arrangements with the Registered Shareholders and Qiniu Jiaxing on February 21, 2025, pursuant to which, Jiaxing Kongshan has acquired effective control over the financial and operational policies of Qiniu Jiaxing and has become entitled to all the economic benefits derived from its operations. The New Contractual Arrangements are reproduced from the Existing Contractual Arrangements entered into by the Group prior to the listing of the Company on the Stock Exchange.

Summary of the Material Terms of New Contractual Arrangements

(a) Exclusive Business Cooperation Agreements

Jiaxing Kongshan and Qiniu Jiaxing entered into the Exclusive Business Cooperation Agreement on February 21, 2025 (the "**Exclusive Business Cooperation Agreements**"), pursuant to which in exchange for a service fee, Jiaxing Kongshan agreed to provide Qiniu Jiaxing with technical support, consultation and other services, including but not limited to:

- conducting market research and providing marketing consulting services;
- providing advertising brokerage and agency services;
- providing content search, finding and processing services;
- providing short-term and medium-term market development and market planning services;
- providing management consulting services and support, and assisting Qiniu Jiaxing in introducing advanced management concepts and models;
- providing website maintenance and network security services;
- providing business-related software and hardware development and research services;
- providing technology development, technology consultation, technology transfer, and technology promotion services;
- providing intellectual property licensing services, for Qiniu Jiaxing to carry out business activities through these intellectual property rights;
- providing other technical services;

- providing public relations services;

- providing agency sales service;

- providing consulting services and support for Qiniu Jiaxing's labour and employment, including but not limited to organizing and implementing training and assessment for administrative personnel, management personnel and other personnel, assisting in establishing a sound human resource management system and achieving a good allocation of human resources;

- according to the business needs of each of Qiniu Jiaxing, providing relevant administrative management, internal approval monitoring and asset management consulting services; and

- other relevant services requested by Qiniu Jiaxing from time to time to the extent permitted under the PRC laws.

Subject to compliance with the relevant PRC laws and regulations, the service fee under the Exclusive Business Cooperation Agreement shall consist of 100% of the total consolidated before-tax profits without calculation of technical consulting and service fees under the Exclusive Business Cooperation Agreement of Qiniu Jiaxing, after offset by any accumulated deficit in respect of the preceding financial year(s) (if any) and deducting necessary operating costs, expenses and taxes. Notwithstanding the foregoing, Jiaxing Kongshan is entitled to adjust the amount of services fees with reference to the specific circumstances of the provision of technical advice and services, the operating conditions and development needs of Qiniu Jiaxing. The service fees shall be calculated and paid quarterly.

Jiaxing Kongshan shall provide the above services to Qiniu Jiaxing on an exclusive basis, which means that not only does Qiniu Jiaxing agree to accept the above services provided by Jiaxing Kongshan, Qiniu Jiaxing also agrees that, during the term of the Exclusive Business Cooperation Agreement, without prior written consent of Jiaxing Kongshan, Qiniu Jiaxing shall not (1) directly or indirectly accept services provided by any third party, that are identical or similar to the services contemplated in the Exclusive Business Cooperation Agreement; or (2) establish cooperation relationships similar to that formed by the Exclusive Business Cooperation Agreement with other entities, enterprises or any third party. Jiaxing Kongshan may appoint other parties, who may enter into certain agreements with Qiniu Jiaxing, to provide Qiniu Jiaxing with the consultations and/or services under the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement also provide that the Jiaxing Kongshan shall have the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by Qiniu Jiaxing during the performance of the Exclusive Business Cooperation Agreement.

The Exclusive Business Cooperation Agreement shall be effective upon the execution, and shall remain irrevocable ever after, until (i) in the event of the bankruptcy, liquidation, termination, or dissolution of Qiniu Jiaxing occurs during the term of the Exclusive Business Cooperation Agreement, at the date of such bankruptcy, liquidation, termination, or dissolution occurs; (ii) after the entire shareholding of Qiniu Jiaxing held by the shareholders of Qiniu Jiaxing and/or all these assets of Qiniu Jiaxing have been legally transferred to Jiaxing Kongshan and/or one or more persons designated by Jiaxing Kongshan in accordance with the Exclusive Option Agreement signed by the Registered Owners, Jiaxing Kongshan and Qiniu Jiaxing; (iii) once Jiaxing Kongshan is allowed to directly hold the equity interests of Qiniu Jiaxing in accordance with applicable PRC laws and Jiaxing Kongshan and/or its subsidiaries or branches are enable to legally engage in the businesses of Qiniu Jiaxing, at the time when Jiaxing Kongshan or its wholly-owned subsidiary is duly registered as the sole shareholder of Qiniu Jiaxing. Notwithstanding the above, Jiaxing Kongshan has the right to terminate the Exclusive Business Cooperation Agreement at any time by issuing a 30 days' notice in writing to Qiniu Jiaxing. Qiniu Jiaxing, however, shall have no right to unilaterally terminate the Exclusive Business Cooperation Agreement.

(b) Exclusive Option Agreements

Jiaxing Kongshan, Qiniu Jiaxing and the Registered Owners entered into the Exclusive Option Agreement on February 21, 2025, pursuant to which (i) Jiaxing Kongshan (or its designee(s)) was granted an irrevocable and exclusive right to purchase from the Registered Owners all or any part of their equity interests in Qiniu Jiaxing, at any time and from time to time, at the lowest price legally permissible under the applicable laws of PRC (the "**Share Purchase Rights**"); and (ii) Jiaxing Kongshan (or its designee(s)) was granted an irrevocable and exclusive right to purchase from Qiniu Jiaxing all or any part of the assets of Qiniu Jiaxing at any time and from time to time, the lowest price legally permissible under the applicable laws of the PRC (the "**Asset Purchase Rights**", together with the Shares Purchase Rights, the "**Exclusive Option Rights**").

(c) Equity Pledge Agreements

Jiaxing Kongshan, Qiniu Jiaxing and the Registered Owners entered into the Equity Pledge Agreement on February 21, 2025, pursuant to which the Registered Owners agreed to pledge all of their current and future respective equity interests in Qiniu Jiaxing as first priority to Jiaxing Kongshan to guarantee all direct, indirect, consequential losses and loss of predictable benefits suffered by Jiaxing Kongshan due to any breach of contract by the Registered Owners and/or Qiniu Jiaxing, the Registered Owners and Qiniu Jiaxing shall perform in full and on time under the Contractual Arrangements, including but not limited to the payment by Qiniu Jiaxing to Jiaxing Kongshan of the consulting and service fees specified in the Contractual Arrangements (whether or not such fees are due and payable due to the due date, early collection requirements or other reasons).

(d) Powers of Attorney

On February 21, 2025, each of the Registered Owners executed the powers of attorney (the "**Powers of Attorney**"), pursuant to which each of the Registered Owners unconditionally and irrevocably appoint Jiaxing Kongshan or its designee(s) (including their successors and liquidators) as each of their sole and exclusive attorney-in-fact, to exercise on each of their behalf, all the rights that each of them has as the shareholders of Qiniu Jiaxing as set out in the then-valid articles of association of Qiniu Jiaxing.

(e) Spouse Undertakings

The spouse of each of the Registered Owners has signed an undertaking (collectively, the "**Spouse Undertakings**") to the effect that, among others, (i) she confirms and agrees that in whatever circumstances, the equity interests (together with any other interests therein) of Qiniu Jiaxing held and to be held by each of the Registered Owners are personal properties of the Registered Owners and do not fall within the scope of communal properties held by the spouses together. The Registered Owners may solely determine to pledge, sell or otherwise dispose such equity interests without consent of the spouse; (ii) she unconditionally and irrevocably waives any rights or interests that may be granted to her under the applicable laws of any jurisdictions in respect of equity interests in Qiniu Jiaxing, and she undertakes not to claim such rights or interests; (iii) no authorization or consent of her is required for the performance, modification or termination of the Contractual Arrangements or execution of other documents in place of any agreements under the Contractual Arrangements; (iv) she will execute all necessary documents and take all necessary actions to ensure the due performance of the Contractual Arrangements; (v) she will not, at any time, take any actions in conflict with the Spouse Undertakings and the Contractual Arrangements; and (vi) she will not take any actions to prevent the performances under the Contractual Arrangements in any circumstances.

(f) Confirmations from Registered Shareholders

Pursuant to the agreements under the Contractual Arrangements, each of the Registered Owners undertakes to Jiaxing Kongshan that, in the event of death, loss of capacity, divorce, bankruptcy, or any other circumstances regarding the Registered Owners which may affect the exercise of his equity interests in Qiniu Jiaxing, the Registered Owners' successor, liquidator and any other person/entity which may as a result of the above events obtain the equity interest or relevant rights directly or indirectly shall not prejudice or hinder the enforcement of the Contractual Arrangements.

For further details of the New Contractual Arrangements, please refer to the announcement of the Company dated February 21, 2025.

For details of the Existing Contractual Arrangements, please refer to the "Summary of the Material Terms of Existing Contractual Arrangements" section of the Company's 2024 annual report and "Contractual Arrangements" section of the Prospectus.

Save as disclosed above, during the Reporting Period, the Group did not enter into, renew and/or re-enter into other new contractual arrangements with the Consolidated Affiliated Entities. During the Reporting Period, there were no significant changes in the Contractual Arrangements and/or the adoption of Contractual Arrangements.

During the Reporting Period, as there were no restrictions which, if eliminated, would lead to the adoption of Contractual Arrangements, none of the Contractual Arrangements were lifted. As of December 31, 2025, the Company did not encounter any interference or hindrance by any PRC regulatory authority when operating its business through the Consolidated Affiliated Entities according to the Contractual Arrangements.

Accounting Aspects of the Contractual Arrangements

During the Reporting Period, as a result of the Exclusive Business Cooperation Agreements and the Exclusive Option Agreements, the Company has obtained control of the Consolidated Affiliated Entities through Shanghai Kongshan and, at the Company's sole discretion, can receive all of the economic interest returns generated by the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into the Company's financial statements.

Qualification Requirements

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "**FITE Regulations**"), which were amended on September 10, 2008 and February 6, 2016. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services, including ICP services. On August 1, 2019, the Ministry of Industry and Information Technology (the "**MIIT**") issued guidance on the application requirements for establishing foreign-invested value-added telecommunications enterprises in the PRC (the "**2019 MIIT Guidance**"). Pursuant to the FITE Regulations and the 2019 MIIT Guidance, a foreign investor who invests in value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas with good performance (the "**Qualification Requirements**").

Our PRC legal adviser informed that as of December 31, 2025, no applicable laws, regulations or rules provided clear guidance or interpretation on the qualification requirements, and there was no update in the qualification requirements.

PRC Laws on Foreign Investment

The Foreign Investment Law (2019) was adopted at the Second Session of the Thirteenth National People's Congress of the PRC on March 15, 2019 and came into force on January 1, 2020 (the "**FIL 2019**"). The FIL 2019 is intended to replace the current foreign investment legal foundation in the PRC consisting of three laws: the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Invested Enterprise Law (《外資企業法》).

Our PRC Legal Advisors are of the view that since Contractual Arrangements are not specified as "foreign investments" under the FIL 2019 and if there is no applicable law or regulation that explains "other means" of foreign investment under the FIL 2019, or if "other means" of foreign investment are specified under applicable laws or regulations not to include Contractual Arrangements, it is unlikely that our Contractual Arrangements will be deemed as "foreign investments" under the FIL 2019 and therefore (i) the Contractual Arrangements shall neither be subject to the "negative list" nor be regulated by relevant authorities in accordance with the requirements of the "negative list;" and (ii) the FIL 2019 would not apply to the Contractual Arrangements as it does not substantially change the principle of recognition and treatment of Contractual Arrangements as compared with the current PRC laws and regulations, and the legality and validity of the Contractual Arrangements would not be affected.

If the operation of our Relevant Businesses is not on the "negative list" and we can legally operate such businesses under PRC laws, Shanghai Kongshan will exercise the option under the Exclusive Option Agreement to acquire the equity interests of Qiniu Information and unwind the Existing Contractual Arrangements subject to re-approval by the relevant authorities.

If the operation of our Relevant Businesses is on the "negative list," unless applicable laws or regulations define Contractual Arrangements are one of the "other means" of foreign investment, the probability that Contractual Arrangements will be deemed as "foreign investment" under the FIL 2019 and be regulated by relevant authorities in accordance with the requirements of the "negative list," which could result in the Contractual Arrangements being deemed as invalid or being required to meet the requirements of the "negative list," is low. In addition, considering that a number of existing entities are operating under Contractual Arrangements and some of which have obtained listing status abroad, our PRC Legal Advisors are of the view that the PRC government is likely to take a relatively cautious attitude towards the supervision of Contractual Arrangements and the enactment of laws and regulations impacting them, and will make decisions according to different situations in practice.

Details of Consolidated Affiliated Entities

Qiniu Information, a limited liability company established in the PRC on August 3, 2011 and is principally engaged in cloud services including clouding computing, storage and delivery.

Beijing Kongshan, a limited liability company established in the PRC on September 6, 2011 and did not carry out any substantive business during the Reporting Period.

Qiniu Information and Beijing Kongshan is 73.5% held by Mr. Xu and 26.5% held by Mr. Lyu.

Qiniu Shenzhen is a wholly-owned subsidiary of Qiniu Information and is principally engaged in cloud services such as clouding computing and delivery.

Qiniu Jiaxing is a company established on October 29, 2024 under the laws of the PRC with limited liability and is owned as to 73.5% and 26.5% by Mr. Xu and Mr. Lyu, respectively. Qiniu Jiaxing is principally engaged in public cloud, private cloud, software development kit ("**SDK**") and machine hosting services.

Mr. Xu and Mr. Lyu are Qiniu Jiaxing's shareholders, both of them are citizens of the PRC and directors of the Company.

For details of the Existing Contractual Arrangements, please refer to the "Summary of the Material Terms of Existing Contractual Arrangements" section of the Company's 2024 annual report and "Contractual Arrangements" section of the Prospectus.

Earnings and assets under the Existing and New Contractual Arrangements

According to the Contractual Arrangements, during the Reporting Period, the revenue of Qiniu Information, Qiniu Shenzhen, Beijing Kongshan and Qiniu Jiaxing were approximately RMB1,131.1 million, RMB25.6 million, nil and RMB579.8 million, collectively accounting for approximately 98.2% of the total revenue of the Group. As of December 31, 2025, the total assets of Qiniu Information, Qiniu Shenzhen, Beijing Kongshan and Qiniu Jiaxing were approximately RMB730.2 million, RMB20.8 million, RMB0.2 million and RMB149.1 million, collectively accounting for approximately 78.9% of the total assets of the Group.

For details of the Existing Contractual Arrangements, please refer to the "Summary of the Material Terms of Existing Contractual Arrangements" section of the Company's 2024 annual report and "Contractual Arrangements" section of the Prospectus. The New Contractual Arrangements are reproduced from the Existing Contractual Arrangements entered into by the Group prior to the listing of the Company on the Stock Exchange.

Implications under Listing Rules and Exemption from Stock Exchange

For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entities will be treated as our wholly-owned subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their respective associates will be treated as connected persons of the Company (excluding, for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and the Group (including, for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.

Since certain parties to the Contractual Arrangements (namely Mr. Xu and Mr. Lyu) are the Registered Shareholders and connected persons of the Company, according to the Listing Rules, the transactions contemplated under the Contractual Arrangements constitute the continuing connected transactions of the Company.

In respect of the Contractual Arrangements, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) the announcement, circular and independent Shareholders' approval under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject, however, to the following conditions:

(a) No change without independent non-executive Directors' approval;

(b) No change without independent Shareholders' approval;

(c) The Contractual Arrangements shall continue to enable the Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the Company and our subsidiaries in which the Company has direct shareholding, on one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements; and

(e) We will disclose details relating to the Contractual Arrangements on an on-going basis.

Annual Review by Independent Non-executive Directors and Auditor

During the Reporting Period, the independent non-executive Directors have reviewed the above Contractual Arrangements and confirmed that the Contractual Arrangements have:

(i) been entered into in the usual and ordinary course of business of the Group;

(ii) been conducted based on normal or better commercial terms; or been entered into based on the terms no less favorable than those available from or provided by independent third parties; and

(iii) been carried out according to the agreements for related transactions with terms that are fair and reasonable and in line with the interests of the shareholders as a whole.

During the Reporting Period, independent non-executive Directors have also reviewed the above Contractual Arrangements and confirmed that:

(1) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the Contractual Arrangements;

(2) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and

(3) any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the Reporting Period are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

The auditor of the Company carried out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements in compliance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, and provided a letter to the Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of the Directors, have been entered into in accordance with the relevant Contractual Arrangements, and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.

Risks mitigation action and internal control measures adopted by the Company

The Company's management work closely with external law advisor and consultant to monitor the environment and development of the PRC laws and regulations, in order to mitigate the risks relating to the New Contractual Arrangements.

The Group has adopted the following internal control measures to ensure the enforcement of the New Contractual Arrangements, in order to effectively operate the Group's business and comply with the New Contractual Arrangements, among others:

- significant matters arising from the implementation of the New Contractual Arrangements are reviewed by the Board on a regular basis (at least quarterly);

- matters relating to compliance and regulatory investigations by the PRC government authorities and agencies, if any, will be discussed at these regularly scheduled Board meetings or on an occurrence basis;

- the Group's relevant business units and operating segments will report to the Company's senior management regularly (at least monthly) in respect of the compliance with and fulfilment of the New Contractual Arrangements and other related matters;

- the Board, particularly the independent non-executive Directors will review the overall performance of and compliance with the New Contractual Arrangements at least once a year and the confirmation from the independent non-executive Directors will be disclosed in the Company's annual report;

- the Company will disclose the overall performance and compliance with the New Contractual Arrangements in annual reports and interim reports to update the Shareholders and potential investors;

- the Company and Directors undertake to provide periodic updates in the Company's annual and interim reports regarding the status of compliance with the FIL 2019, and the latest regulatory development in relation with the FIL 2019;

- the Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the New Contractual Arrangements, review the legal compliance of Consolidated Affiliated Entities to deal with specific issues or matters arising from the New Contractual Arrangements;

- the company seals, financial seals, contract seals and crucial corporate certificates of Consolidated Affiliated Entities are kept by the Group's finance and legal departments, respectively. Any employee of the Group who wishes to use the seals will have to obtain internal approval from the head of the business, legal and/or finance department(s) (as the case may be) of the Group, as well as approval from relevant superior departments;

- the Board (including the independent non-executive Directors) will ensure that Consolidated Affiliated Entities shall retain and continue to hold all relevant intellectual properties, including trademarks, computer software, copyrights and domain names, required for the purpose of maintaining and renewing its operating licenses and permits as required by relevant PRC Government Authorities, and going forward and to the extent permissible under PRC laws and regulations, Jiaxing Kongshan or any other legally held member of the Group shall be the registered owner of any other newly developed trademarks which will be material to the business of the Group; and

- the Group will adjust or unwind (as the case may be) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Businesses to the extent permissible and the Group will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations which allow the businesses which are subject to foreign investment prohibition under the relevant PRC regulations to be conducted and operated by owned subsidiaries of the Company without such arrangements in place. In the event of terminating the Contractual Arrangements, the Group has also received undertaking from the Registered Owners that they must return to the Group any consideration they receive when Company acquires the shares of Consolidated Affiliated Entities.

CHARITABLE DONATIONS

During the Reporting Period, the Group did not make charitable donations.

MATERIAL LEGAL PROCEEDINGS

During the Reporting Period, the Company was not involved in any material legal proceeding or arbitration. To the knowledge of the Directors, there is no material legal proceeding or claim which is pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

From the Listing Date up to the Latest Practicable Date, there were no permitted indemnity provisions which were or are currently in force, and are beneficial to the Directors (whether they were entered into by the Company or others) or any directors of the Company's related companies (if they were entered into by the Company). The Company has purchased appropriate director and officer liability insurance for its Directors and officers to provide appropriate protection for its Directors and officers.

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining a high standard of corporate governance practices. Information about the corporate governance practices adopted by the Company is set out in the corporate governance report on pages 78 to 93 of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% (being the minimum public float prescribed by the Stock Exchange and the Listing Rules) of the Company's entire issued share capital (excluding treasury shares) were held by the public at any time from the Listing Date up to the Latest Practicable Date.

AUDIT COMMITTEE

The Audit Committee has, together with the senior management and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group, and the audited consolidated financial statements for the year ended December 31, 2025.

AUDITOR

Ernst & Young is the auditor of the Company for the year ended December 31, 2025. Ernst & Young has audited the accompanying consolidated financial statements which were prepared in accordance with the IFRS. The Company has engaged Ernst & Young since the date it began to prepare for the Listing.

Ernst & Young is subject to retirement as auditor of the Company at the conclusion of the forthcoming AGM, and, being eligible, offers itself for re-appointment. A resolution for re-appointment of Ernst & Young as auditor of the Company will be proposed at the AGM.

SUBSEQUENT EVENTS

Save as disclosed in this annual report, there were no other significant events that might affect us since the end of the Reporting Period and up to the date of this annual report.

By order of the Board
XU Shiwei
Chairman of the Board
March 20, 2026

CORPORATE GOVERNANCE REPORT

The Board has committed to maintaining good corporate governance standards. The Board believes that good corporate governance standards are essential in providing framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

Save for the deviation from code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, which is explained in section A3 of this Corporate Governance Report, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the Reporting Period.

The Company recognizes that a good corporate culture is essential to support and complement its corporate governance efforts and corporate image, and has developed a corporate culture emphasizing on lawful, ethical and responsible business conduct over the years, which has been reflected in the overall operations and management of the Group. In order to promote open communication in the workplace and high ethical standards among staff and management of the Group, the Group has established anti-corruption and whistle-blowing policies and training, to provide guidance on identifying potential breaches or improper behaviour, reporting procedures and consequences of violations of such policies. For further details on the Group's anti-corruption and whistle-blowing policies, please see the environmental, social and governance report.

A. THE BOARD

A1. Responsibilities and Delegation

The Board is responsible for the leadership, control and management of the Company and overseeing the Group's business, strategic decision and performances in the attainment of the objective of ensuring effective functioning and growth of the Group and enhancing value to investors. All the Directors carry out their duties in good faith, take decisions objectively and act in the interests of the Company and Shareholders at all times.

The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, risk management and internal control systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have timely access to all relevant information as well as the advice and services of the senior management and the Joint Company Secretaries, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any Director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The senior management is delegated the authority and responsibilities with clear directions by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the senior management. The Board has the full support of the senior management to discharge its responsibilities.

According to the code provision D.1.2 of part 2 of the CG Code, the management shall provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. The Company has provided all members of the Board monthly updates of financial, compliance and operation matters to enhance the corporate governance of the Group and provide more adequate and complete information to the Board in a timely manner.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities and will conduct annual review on such insurance coverage.

A2. Board Composition

The composition of the Board as at the date of this report is as follows:

Executive Directors:
Mr. Xu Shiwei *(Chief Executive Officer, Chairman of the Board and the Nomination Committee, and member of the Remuneration Committee)*
Ms. Chen Yiling *(Chief Operation Officer, and member of the Nomination Committee)*

Non-executive Director:
Mr. Lyu Guihua

Independent non-executive Directors:
Mr. Wei Shaojun *(member of the Audit Committee, the Remuneration Committee and the Nomination Committee)*
Mr. Zhou Zheng *(chairman of the Audit Committee, member of the Remuneration Committee and the Nomination Committee)*
Dr. Shi Qing *(chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee)*

Throughout the Reporting Period, the Board has met the requirements of the Listing Rules 3.10 and 3.10A of having a minimum of three independent non-executive Directors (representing at least one-third of the Board) with one of them, being Mr. Zhou Zheng, possessing appropriate professional qualifications and accounting and related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. The executive Directors are responsible for the businesses and functional divisions of the Group. The non-executive Director scrutinizes the performance of management in achieving agreed corporate goals and objectives and monitors the Group's performance reporting. The independent non-executive Directors bring different businesses and financial expertise, experiences and independent judgement to the Board and they constitute the majority of the Audit Committee, Remuneration Committee, and Nomination Committee of the Company. Through participation in Board meetings and taking the lead in managing issues involving potential conflicts of interests, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

To the best knowledge of the Directors, the Directors and senior management have no financial, business, family or other material/relevant relationships with one another. The Company has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent with reference to the independence guidelines set out in the Listing Rules.

The Company has established mechanisms to ensure independent views and input are available to the Board and conducted review of such mechanisms on an annual basis.

All Directors are entitled to seek, at the Company's expense, independent professional advice reasonably necessary for discharging their duties as Directors.

The Nomination Committee annually assesses the independence of each independent non-executive Director during his term of appointment. The Company received from each of the independent non-executive Directors a written confirmation of his/her independence pursuant to Rule 3.13 and paragraph 12B of the Appendix D2 to the Listing Rules. Each independent non-executive Director has complied with Rule 3.12A and Rule 3.13A of the Listing Rules. Based on such confirmations and the report of the Nomination Committee, the Company considers that all the independent non-executive Directors continue to demonstrate strong independence and all remain independent. The Board has reviewed the implementation and effectiveness of the mechanisms and considered them to be effective for the Reporting Period.

A3. Chairman and Chief Executive Director

The Chairman of the Board is responsible for providing leadership for the Board, ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The Chairman also ensures all Directors are properly briefed on issues arising at Board meetings and all Directors receive adequate information, which must be accurate, clear complete and reliable, in a timely manner. The Chairman acts as the person who primarily responsible for drawing up and approving the agenda for each board meeting and will take into account any appropriate matters proposed by the other Directors for inclusion in the agenda. The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established and encourage Directors' active contribution to the Board's affairs and provide an environment to Directors to voice their concerns. He also takes the lead to ensure that the Board acts in the best interest of the Company and promotes a culture of openness and debate. The Chief Executive Officer generally focuses on the business and day-to-day management and operations of the Company.

Pursuant to code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, the responsibilities between the chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Mr. Xu Shiwei is currently the chairman and chief executive officer of the Company. In view of the fact that Mr. Xu established the Company and has been assuming the responsibilities in the overall management and supervision of the daily operations of the Group since May 2011, the Board believes that it is in the best interest of the Group to have Mr. Xu taking up both roles for effective management and operations. Therefore, the Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, the Directors are of the view that the Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of the Board and the relevant Board committee, and there are three independent non-executive Directors on the Board offering independent perspective, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board shall nevertheless review the structure and composition of the Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of the Company.

In addition, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively, given that (i) decisions to be made by the Board requires approval by at least a majority of the Directors; (ii) all the Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among others, that he/she acts for the benefit and in the best interests of the Company as a whole and will make decisions for the Company accordingly; (iii) the balance of power and authority is ensured by the operations of the Board, one-third of which is represented by independent non-executive Directors; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both the Board and senior management levels.

Therefore, the Board considers that the deviation from the code provision C.2.1 as set out in Part 2 of the Corporate Governance Code is appropriate in such circumstances. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

A4. Appointment and Re-election of Directors

According to the Articles, one-third of the Directors for the time being, (if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors should be eligible for re-election at the relevant AGM. In addition, any new Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment. The Director appointed by the Board as aforesaid shall be eligible for re-election at the relevant AGM.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for a term of one year. They are subject to retirement and re-election in accordance with the provisions of the Articles as mentioned above.

A5. Training and Continuing Development for Directors

Each newly appointed Director will receive formal induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Such induction shall be supplemented by visits to the Company's key offices and meetings with senior management of the Company.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Trainings and professional development for Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their study and reference.

The Directors are required to submit to the Company details of the trainings they received in each financial year for the Company's maintenance of proper training records of the Directors. According to the training records currently maintained by the Company, during the Reporting Period, the Directors have complied with the code provision C.1.1 of the CG Code on participation in continuous professional training as follows:

	Type of trainings/education	
	Attending trainings on regulatory development, directors' duties or other relevant topics	**Reading regulatory updates or corporate governance related materials or materials relevant to directors' duties**
Mr. Xu Shiwei	✔	✔
Ms. Chen Yiling	✔	✔
Mr. Lyu Guihua	✔	✔
Mr. Wei Shaojun	✔	✔
Mr. Zhou Zheng	✔	✔
Dr. Shi Qing	✔	✔

A6. Directors' Attendance Records at Meetings

The Board meets to review the Company's key activities. Board meetings are held at least four times a year at approximately quarterly interval to discuss and review the objectives, strategies and policies of the Company, including any significant acquisitions and disposals, annual budget, financial performance and to approve the release of the financial results. Ad-hoc Board meetings will be held, as and when necessary, to address significant transactions or issues that may arise in between regular meetings.

The attendance records of each Director at the Board, Board committee meetings and the general meeting of the Company held during the Reporting Period are set out below:

Name of Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Directors:					
Mr. Xu Shiwei	4/4	NA	1/1	2/2	1/1
Ms. Chen Yiling	4/4	NA	NA	1/1	1/1
Non-executive Director:					
Mr. Lyu Guihua	4/4	NA	NA	NA	1/1
Independent non-executive Directors:					
Mr. Wei Shaojun	4/4	3/3	1/1	2/2	1/1
Mr. Zhou Zheng	4/4	3/3	1/1	2/2	1/1
Dr. Shi Qing	4/4	3/3	1/1	2/2	1/1

In addition, the Chairman of the Board held a meeting with the independent non-executive Directors without the presence of other Directors during the Reporting Period.

A7. Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding dealings in the securities of the Company by the Directors, the Group's senior management and relevant employees who, because of their office or employment, are likely to possess inside information of the Company and/or securities. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code throughout the Reporting Period. In addition, no incident of non-compliance of the Model Code by the senior management of the Group was noted during the Reporting Period.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and senior management in advance.

A8. Corporate Governance Functions

The Board is responsible for performing the corporate governance functions as set out in the code provision A.2.1 of the CG Code.

During the year under review, the Board has performed corporate governance functions as follows: (i) reviewed and developed the Company's corporate governance policies and practices; (ii) reviewed and monitored the training and continuous professional development of Directors and senior management; (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; (iv) reviewed and monitored the compliance of the Model Code; and (v) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

B. BOARD COMMITTEES

The Company has three Board committees, namely, the Remuneration Committee, the Nomination Committee, and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the websites of the Company and the Stock Exchange. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Remuneration Committee

The Remuneration Committee currently comprises a total of four members, being one executive Director and the Chairman of the Board, namely Mr. Xu Shiwei, and three independent non-executive Directors, namely Dr. Shi Qing (chairman of the Remuneration Committee), Mr. Wei Shaojun and Mr. Zhou Zheng. Throughout the Reporting Period, the Company has met the Listing Rules requirements of having the majority of the Remuneration Committee members being independent non-executive Directors as well as having the Committee chaired by an independent non-executive Director.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and on the remuneration packages of Directors and members of senior management (i.e. the model described in the code provision E.1.2(c)(ii) of the CG Code is adopted). The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee is also responsible for reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the Reporting Period, the Remuneration Committee has reviewed the existing remuneration policy and structure of the Company, assessed performance of executive Director, approved the terms of service contracts/letters of appointment of Directors, considered and made recommendations to the Board on the remuneration packages of Directors and senior management, the proposed remuneration package of the proposed independent non-executive Director, approved the grant of options under the Share Option Schemes, and ensured that share options offered by the Company to its Directors and employees during the year ended December 31, 2025 are in accordance with Chapter 17 of the Listing Rules and share schemes are in compliance with applicable laws and regulations and made relevant recommendations to the Board.

The attendance records of each Committee member in the Committee meeting are set out in section A6 above.

Pursuant to code provision E.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended December 31, 2025 is set out below:

Remuneration band (RMB)	**Number of individual**
HKD1,000,000 to HKD3,000,000	three
HKD3,000,001 to HKD6,000,000	three

Note: As of the Latest Practicable Date, Mr. Han Bin is no longer a member of the senior management of the Company.

The amount of remuneration includes the amortization of the fair value of share-based compensation, wages, salaries, bonus, contribution to social securities and housing fund. Details of the remuneration of each Director for the year ended December 31, 2025 are set out in Note 8 to the consolidated financial statements contained in this annual report.

B2. Nomination Committee

The Nomination Committee currently comprises a total of five members, being two executive Directors, namely Mr. Xu Shiwei (chairman of the board and chairman of the Nomination Committee), Ms. Chen Yiling and three independent non-executive Directors, namely Mr. Wei Shaojun, Mr. Zhou Zheng and Dr. Shi Qing. Throughout the Reporting Period, the Company has met the Listing Rules requirements of having a majority of the Nomination Committee members being independent non-executive Directors and having the Nomination Committee chaired by the Chairman of the Board.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and recommending any changes to the Board; identifying qualified and suitable individuals to become Board members and selecting and making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular, the chairman and the chief executive of the Company.

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the diversity on the Board, the integrity, experience, skills and professional knowledge of the candidate and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out the selection process when necessary.

The Company also recognizes and embraces the benefit of having a diverse Board to enhance the quality of its performance. To comply with Rule 13.92 and Appendix C1 to the Listing Rules, a Board diversity policy was adopted by the Company, pursuant to which the Nomination Committee is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, or professional experience). The Nomination Committee shall report its findings and make recommendation to the Board, if any. Such policy and objectives will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board. As of the date of this annual report, the Board consisted of six Directors, including one female Director and professionals in law and accounting, and the Board has achieved diversity in its membership in terms of gender, professional background and skill, etc. As of the date of this annual report, two out of five of senior management of the Company are female. As of December 31, 2025, the Group had a total of 112 female staff out of 338 employees, representing 33.14% of the employees of the Group. The Board aims at maintaining at least one female Director on the Board and will continue to take opportunities to increase the proportion of female board members and workforce over time as and when suitable candidates are identified. For further details, please refer to the Environmental, Social and Governance Report of the Company.

The Board and the Nomination Committee have reviewed the implementation and effectiveness of the board diversity policy and considered it to be effective for the Reporting Period.

The Company has adopted the director nomination policy. Such policy, devising the criteria and process of selection and performance, provides guidance to the Board on the nomination and appointment of Directors. In designing the Board's composition, the Nomination Committee and the Board take into account a wide range of aspects, including but not limited to gender, socioeconomic background, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives and insights that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board. The Board believes that the defined selection process is good for corporate governance in ensuring the Board continuity and appropriate leadership at Board level, and enhancing better Board effectiveness and diversity as well as in compliance with the applicable rules and regulations.

During the Reporting Period, the Nomination Committee has performed the following major works:

- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;

- Recommendation on the re-election of the retiring Directors at the forthcoming annual general meeting;

- Assessment of the independence of all the independent non-executive Directors;

- Reviewed the Board diversity policy.

In assessing the Board composition, the Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained. The attendance records of each Nomination Committee member in the Nomination Committee meeting are set out in section A6 above.

B3. Audit Committee

The Company has met the Listing Rules requirements regarding the composition of the Audit Committee throughout the Reporting Period. The Audit Committee currently comprises a total of three members, being three independent non-executive Directors, namely Mr. Wei Shaojun, Mr. Zhou Zheng, and Dr. Shi Qing. The chairman of the Audit Committee is Mr. Zhou Zheng, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making relevant recommendations to the Board; and reviewing the Company's financial reporting system, risk management and internal control systems and the effectiveness of the internal audit function.

During the Reporting Period, the Audit Committee has performed the following major works:

- Consideration and recommendation of the re-appointment of Ernst & Young as the external auditor of the Company;
- Discussion of the nature, plan and scope of the Group's audit and the audit fee for the year ended December 31, 2025;
- Review of the arrangements for employees of the Group to raise concerns about possible improprieties in the Group's financial reporting, internal control or other matters and the investigation process on the reported cases; and
- reviewed the continuing connected transactions of the Group.

The external auditor has attended three meetings during the Reporting Period and discussed with the Audit Committee members on issues arising from the audit and financial reporting matters. Besides, there is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

The attendance records of each Audit Committee member in the Audit Committee meetings are set out in section A6 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have acknowledged their responsibilities for preparing the financial statements of the Group for the year ended December 31, 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports and other financial disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems. The Board reviews the effectiveness of the risk management and internal control systems as well as the internal audit function of the Company on an annual basis through the Audit Committee.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including production, procurement, marketing, finance, human resources, and information technology. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. The management, in coordination with department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress. The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The Company's internal auditor is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. During the year under review, the internal auditor examined key issues in relation to the accounting practices and all material controls and provided its findings to the Audit Committee.

During the year ended December 31, 2025, the Board, as supported by the Audit Committee as well as the report from the management and the internal audit findings, reviewed the effectiveness of the Group's risk management and internal control systems, including the financial, operational and compliance controls, and considered that such systems are effective and adequate.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

E. JOINT COMPANY SECRETARIES

Mr. Zhang Yuanhao of the company, and Ms. Leung Kwan Wai (since July 31, 2025) of Tricor Services Limited, an external service provider, acted the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and Board practices and matters. Mr. Zhang has been designated as the primary contact person at the Company to work and communicate with Ms. Leung on the Company's corporate governance and secretarial and administrative matters.

Mr. Zhang And Ms. Leung have taken not less than 15 hours of relevant professional training and comply with the requirement under Rule 3.29 of the Listing Rules for the year ended December 31, 2025.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company, Ernst & Young, about their reporting responsibilities on the Company's financial statements for the year ended December 31, 2025 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to Ernst & Young in respect of audit services and non-audit services for the year ended December 31, 2025 are analyzed below. The remuneration for the audit services includes the service fees in connection with audit and reviews of the Group. The non-audit services conducted by the Auditor mainly include professional services on consultation services.

Type of services provided by the external auditor	**Fees paid/payable** (RMB'000)
Audit services	4,500
Non-audit services	441
TOTAL:	**4,941**

G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has established the shareholders' communication policy and believes that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make informed investment decisions.

The Company maintains a website at www.qiniu.ltd as a communication platform with Shareholders and investors, where information and updates on the Company's business developments and operations and other information are available for public access. Shareholders and investors may send their written enquiries or requests to the Company via the following contact details:

Address:	Building 19, Zhangjiang AI Island, No. 55 Chuanhe Road, Pudong New District, Shanghai, PRC
Email:	ir@qiniu.com
Telephone number:	021-61016436

Enquiries and requests will be dealt with by the Company in an informative and timely manner.

Besides, Shareholders' meetings provide an opportunity for communication between the Board and the Shareholders. It is the Company's general practice that the Chairman of the Board as well as chairmen of the Audit Committee, Nomination Committee and Remuneration Committee, or in their absence, their duly appointed delegates will be available to answer questions at the AGM and other general meetings of the Company. In addition, the Company will invite representatives of the auditor to attend its AGM to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence, if any. The Company reviewed the implementation and effectiveness of the Shareholders' communication policy and considered it to be effective for the Reporting Period with the above measures in place.

H. SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at Shareholders' meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (www.qiniu.ltd.) and the Stock Exchange after each Shareholders' meeting. The Articles allow a Shareholder entitled to attend and vote at a general meeting to appoint a proxy, who need not be a Shareholder, to attend the meeting and vote thereat on his/her/its behalf.

Pursuant to the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) or any of them representing more than one-half of the total voting rights of all of the requisitionists, may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Act or the Articles. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

With respect to the Shareholders' right in proposing persons for election as Directors, please refer to the procedures available on the website of the Company.

During the Reporting Period under review, the Company has not made any changes to the Articles. An up-to-date version of the Articles is available on the websites of the Company and the Stock Exchange.

Shareholders may refer to the Articles for further details of the rights of Shareholders.

I. DIVIDEND POLICY

The Company has established a dividend policy. Provided that the Group is profitable and without affecting the normal operations of the Group, the Board may consider to declare and pay dividends to the Shareholders.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things:

a) the Group's overall results of operation, financial conditions, business strategies and operations, future cash commitments and investment needs to sustain the long-term growth of business, working capital requirements, capital expenditure requirements, liquidity position and future expansion plans;

b) the amount of retained profits and distributable reserves of the Company;

c) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group;

d) any statutory and regulatory restrictions;

e) any restrictions on payment of dividends that may be imposed by the Group's lenders or creditors; and

f) any other factors that the Board considers relevant and/or appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the articles of association of the Company and all applicable laws and regulations. The Board will review the dividend policy from time to time.

DEFINITIONS

"AGM"	annual general meeting of the Company
"Articles" or "Articles of Association"	the amended and restated articles of association of the Company conditionally adopted on September 25, 2024 which has become effective on the Listing Date (as amended, supplemented or otherwise modified from time to time)
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Kongshan"	Beijing Kongshan Information Technologies Co., Ltd.* (北京空山信息技術有限公司), a limited liability company incorporated in the PRC on September 6, 2011 and one of the Consolidated Affiliated Entities indirectly controlled by our Company through the Existing Contractual Arrangements
"Board" or "Board of Directors"	the board of Directors
"BVI"	the British Virgin Islands
"Capitalization Issue"	the issue of 1,632,795,088 new Shares to be made upon capitalization of an amount of US$163,279.5088 standing to the credit of the share premium account of our Company, details of which is described in the Prospectus
"Cayman Companies Law" or "Companies Law"	the Companies Law (2018 Revision) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"China" or "PRC"	the People's Republic of China, but for the purpose of this annual report and for geographical reference only, except where the context requires, references in this annual report to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Company"	Qiniu Limited (七牛智能科技有限公司), a company incorporated in the BVI on May 23, 2011 and re-domiciled and continued in the Cayman Islands with limited liability on June 14, 2023
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Consolidated Affiliated Entities"	the entities our Group indirectly controls through the Existing Contractual Arrangements and New Contractual Arrangements, namely Beijing Kongshan, Qiniu Information, Qiniu Shenzhen and Qiniu Jiaxing

"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Mr. Xu and Dream Galaxy
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"Director(s)"	director(s) of the Company
"Dream Galaxy"	Dream Galaxy Holdings Limited, a company incorporated in the BVI on January 30, 2023 which is wholly owned by Mr. Xu
"Dustland"	Dustland Ltd., a company incorporated in the BVI on January 30, 2023 which is wholly owned by Mr. Lyu
"Existing Contractual Arrangements"	the series of contractual arrangements, as the case may be, entered into by, among Shanghai Kongshan, Beijing Kongshan, Qiniu Information, and Qiniu Shenzhen and the Registered Shareholders on May 11, 2023 and June 21, 2024
"Global Offering"	the offering by the Company of the Shares for subscription to the public in Hong Kong and the offering of Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act in October 2024
"Group", "our", "we", or "us"	our Company and all of our subsidiaries and our Consolidated Affiliated Entities, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"HK$" or "HKD" or "Hong Kong Dollars"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"holding company(ies)"	has the meaning ascribed thereto under the Listing Rules
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRSs"	International Financial Reporting Standards
"Independent Third Party(ies)"	a person or entity who is not a connected person of our Company under the Listing Rules to The knowledge of our Directors after reasonable enquiries
"Jiaxing Kongshan"	Kongshan Network Technology (Jiaxing) Co., Ltd.* (空山網絡科技(嘉興)有限公司), an indirect wholly-owned subsidiary of our Company incorporated in the PRC on January 26, 2024

DEFINITIONS

"Latest Practicable Date"	April 8, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	October 16, 2024, i.e. the date on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of the Company, conditionally adopted on September 25, 2024, and came into effect upon Listing (as amended from time to time)
"Mr. Lyu"	Mr. Lyu Guihua (呂桂華), a non-executive Director and one of the Registered Shareholders
"Mr. Xu"	Mr. Xu Shiwei (許式偉), an executive Director and the chairman of the Board and one of the Controlling Shareholders and Registered Shareholders
"NEEQ"	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) of the PRC
"New Contractual Arrangements"	a series of contractual arrangements entered into between, among others, Qiniu Jiaxing, Jiaxing Kongshan, and the Registered Shareholders on February 21, 2025
"Nomination Committee"	the nomination committee of the Board
"Post-IPO Share Option Scheme"	the share option scheme conditionally adopted by the Shareholders on September 25, 2024
"Pre-IPO Share Plan"	the Pre-IPO Share Plan adopted by our Company on January 14, 2013 (as supplemented and amended on June 13, 2014, July 12, 2017, October 25, 2018 and May 11, 2023)
"Prospectus"	the prospectus of the Company dated September 30, 2024 in relation to the Listing

"Qiniu HK"	Qiniu (China) Limited (七牛(中國)有限公司), a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability on June 2, 2011
"Qiniu Information"	Shanghai Qiniu Information Technologies Co., Ltd.* (上海七牛信息技術有限公司), a limited liability company incorporated in the PRC on August 3, 2011 and one of the Consolidated Affiliated Entities indirectly controlled by our Company through the Existing Contractual Arrangements
"Qiniu Jiaxing"	Jiaxing Qiniu Information Technologies Co., Ltd.* (嘉興七牛信息技術有限公司), a limited liability company incorporated in the PRC on October 29, 2024 and one of the Consolidated Affiliated Entities indirectly controlled by our Company through the New Contractual Arrangements
"Qiniu Shenzhen"	Qiniu (Shenzhen) Cloud Computing Co., Ltd.* (七牛(深圳)雲計算有限公司), a limited liability company incorporated in the PRC on May 6, 2022 and one of the Consolidated Affiliated Entities indirectly controlled by our Company through the Existing Contractual Arrangements
"Registered Shareholders"	the registered shareholders of each of Beijing Kongshan, Qiniu Information and Qiniu Jiaxing, being Mr. Xu and Mr. Lyu
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	the year ended December 31, 2025
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"Shanghai Kongshan"	Kongshan Network Technologies (Shanghai) Co., Ltd.* (空山網絡科技(上海)有限公司), a wholly-owned subsidiary of our Company incorporated in the PRC on January 6, 2012
"Share(s)"	ordinary share(s) with nominal value of US$0.0001 each in the share capital of the Company
"Share Option(s)"	the right to subscribe for a specified number of shares pursuant to the Pre-IPO Share Plan and/or the Post-IPO Share Option Scheme
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

DEFINITIONS

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Taobao China"	Taobao China Holding Limited, a company incorporated in Hong Kong, our substantial shareholder
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"US\$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value-added tax
"VAT License"	value-added telecommunication license
"WTO"	World Trade Organization
"%"	per cent

* *For identification purposes only*

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Qiniu Limited
(Incorporated in the British Virgin Islands and re-domiciled and continued in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Qiniu Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 104 to 196, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

KEY AUDIT MATTERS (continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	**How our audit addressed the key audit matter**
Impairment assessment of trade receivables	
As at 31 December 2025, the Group's gross trade receivables amounted to approximately RMB609,798,000 (2024: RMB480,111,000), against which an allowance for impairment of approximately RMB99,032,000 (2024: RMB49,156,000) was made. Management applied judgement and estimates to measure the expected credit loss allowance. Management estimated the expected credit losses ("**ECLs**") on trade receivables based on the estimation about the risk of default and expected credit loss rates. The expected credit loss rates were based on the payment profiles of sales and the corresponding historical credit loss experience within this period. The historical loss rates were adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables. We considered this area a key audit matter due to the magnitude of the balance of trade receivables and the high degree of judgement and estimation uncertainty due to the subjectivity of significant assumptions used and the complexity of the ECL model. The accounting policies, significant accounting judgements and estimates and disclosures about the impairment of trade receivables are included in notes 2.4, 3 and 17 to the financial statements.	Our audit procedures performed on the impairment assessment of trade receivables included: (i) obtaining an understanding of and evaluating the design and operating effectiveness of the relevant key internal controls in respect of management's assessment of the impairment of trade receivables; (ii) assessing the appropriateness of the ECL provisioning methodology adopted by management, including key estimations, assumptions and parameters used in the model based on our understanding of the Group's business, credit control process and the credit risk characteristics of the trade receivables; (iii) evaluating the reasonableness of the forward-looking information, including relevant macroeconomic variables by considering the industry and macroeconomic information; (iv) testing the accuracy of the ageing of trade receivables on a sampling basis; (v) testing the mathematical accuracy of the calculation of ECLs; and (vi) assessing the adequacy of the disclosures related to ECLs.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Wai Ling (practising certificate number: P05274).

Certified Public Accountants
Hong Kong
20 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	*5*	**1,768,710**	1,437,009
Cost of sales		**(1,442,130)**	(1,153,184)
Gross profit		**326,580**	283,825
Other income and gains	*5*	**20,383**	9,759
Selling and marketing expenses		**(94,468)**	(115,894)
Administrative expenses		**(99,963)**	(137,917)
Research and development costs		**(142,220)**	(157,645)
Fair value losses on financial assets at fair value through profit or loss, net		**(6,922)**	(11,928)
Fair value losses on convertible redeemable preferred shares	*26*	**–**	(293,635)
Impairment losses on financial and contract assets, net		**(49,556)**	(26,102)
Other expenses		**(3,411)**	(2,031)
Finance costs	*7*	**(7,925)**	(7,768)
LOSS BEFORE TAX	*6*	**(57,502)**	(459,336)
Income tax expense	*10*	**(369)**	(31)
LOSS FOR THE YEAR		**(57,871)**	(459,367)
Attributable to:			
Owners of the parent		**(57,870)**	(459,367)
Non-controlling interests		**(1)**	–
		(57,871)	(459,367)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*12*		
Basic and diluted (RMB)		**(0.03)**	(0.60)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
LOSS FOR THE YEAR		**(57,871)**	(459,367)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation		**40,345**	(23,599)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation		**(44,930)**	11,299
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(4,585)**	(12,300)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(62,456)**	(471,667)
Attributable to:			
Owners of the parent		**(62,455)**	(471,667)
Non-controlling interests		**(1)**	–
		(62,456)	(471,667)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	84,094	90,977
Right-of-use assets	14	16,120	26,398
Other intangible assets		359	–
Financial assets at fair value through profit or loss	15	79,336	86,258
Total non-current assets		179,909	203,633
CURRENT ASSETS			
Inventories	16	3,438	7,831
Trade and bills receivables	17	513,606	430,955
Contract assets	19	5,542	–
Prepayments, deposits and other receivables	18	28,140	32,979
Amounts due from related parties	33	8,038	7,440
Time deposits	20	72,531	59,677
Restricted cash	20	–	7,857
Cash and cash equivalents	20	329,538	451,928
Total current assets		960,833	998,667
CURRENT LIABILITIES			
Tax payable	10	–	31
Lease liabilities	14	8,945	12,891
Trade and bills payables	21	335,238	311,322
Other payables and accruals	22	95,665	111,596
Contract liabilities	23	96,284	95,181
Interest-bearing bank borrowings	24	213,382	196,104
Deferred revenue	25	544	90
Amounts due to related parties	33	20,159	24,981
Total current liabilities		770,217	752,196
NET CURRENT ASSETS		190,616	246,471
TOTAL ASSETS LESS CURRENT LIABILITIES		370,525	450,104

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities	14	8,524	14,378
Deferred revenue	25	2,490	247
Total non-current liabilities		11,014	14,625
NET ASSETS		359,511	435,479
EQUITY			
Equity attributable to owners of the parent			
Share capital	28	1,421	1,418
Treasury shares	28	(22,750)	–
Reserves	30	380,841	434,061
		359,512	435,479
Non-controlling interests		(1)	–
Total equity		359,511	435,479

Mr. Xu Shiwei
Director

Ms. Chen Yiling
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital RMB'000 *(Note 28)*	Treasury shares RMB'000 *(Note 28)*	Share premium* RMB'000 *(Note 30)*	Share option reserve* RMB'000 *(Note 29)*	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025	1,418	–	3,905,261	186,411	(218,268)	(3,439,343)	435,479	–	435,479
Loss for the year	–	–	–	–	–	(57,870)	(57,870)	(1)	(57,871)
Other comprehensive loss for the year:									
Exchange differences on translation	–	–	–	–	(4,585)	–	(4,585)	–	(4,585)
Total comprehensive loss for the year	–	–	–	–	(4,585)	(57,870)	(62,455)	(1)	(62,456)
Exercise of share options	3	–	1,422	(474)	–	–	951	–	951
Equity-settled share option arrangements	–	–	–	8,287	–	–	8,287	–	8,287
Shares repurchased	–	(22,750)	–	–	–	–	(22,750)	–	(22,750)
At 31 December 2025	1,421	(22,750)	3,906,683	194,224	(222,853)	(3,497,213)	359,512	(1)	359,511

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent					
	Share capital RMB'000 *(Note 28)*	Share premium* RMB'000 *(Note 30)*	Share option reserve* RMB'000 *(Note 29)*	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1 January 2024	31	–	170,515	(205,968)	(2,979,976)	(3,015,398)
Loss for the year	–	–	–	–	(459,367)	(459,367)
Other comprehensive loss for the year:						
Exchange differences on translation	–	–	–	(12,300)	–	(12,300)
Total comprehensive loss for the year	–	–	–	(12,300)	(459,367)	(471,667)
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	114	380,584	–	–	–	380,698
Conversion of convertible redeemable preferred shares into ordinary shares	114	3,525,836	–	–	–	3,525,950
Capitalisation issue	1,159	(1,159)	–	–	–	–
Equity-settled share option arrangements	–	–	15,896	–	–	15,896
At 31 December 2024	1,418	3,905,261	186,411	(218,268)	(3,439,343)	435,479

* These reserve accounts comprise the consolidated reserves of RMB380,841,000 (2024: RMB434,061,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:		**(57,502)**	(459,336)
Adjustments for:			
Impairment losses on financial and contract assets, net	*6*	**49,556**	26,102
Share-based payments	*6,29*	**8,287**	15,896
Depreciation of property, plant and equipment	*6,13*	**41,682**	41,913
Depreciation of right-of-use assets	*6,14(a)*	**10,165**	13,039
Amortisation of other intangible assets		**40**	–
Losses on disposal of items of property, plant and equipment, net	*6*	**308**	4
Gains on early termination of certain leases	*6*	**(739)**	–
Finance costs	*7*	**7,925**	7,768
Bank interest income	*5*	**(9,686)**	(6,841)
Foreign exchange differences, net	*6*	**990**	(315)
Fair value losses, net:			
Convertible redeemable preferred shares	*6,26*	**–**	293,635
Financial assets at fair value through profit or loss	*6*	**6,922**	11,928
Decrease/(increase) in restricted cash		**7,857**	(7,857)
Increase in trade and bills receivables		**(132,527)**	(170,992)
Increase in contract assets		**(5,834)**	–
Decrease in inventories		**4,976**	20,189
Decrease/(increase) in amounts due from related parties		**14**	(20)
Decrease/(increase) in prepayments, deposits and other receivables		**4,839**	(9,556)
Increase in trade and bills payables		**23,916**	80,366
Increase/(decrease) in contract liabilities		**1,103**	(20,044)
Decrease in amounts due to related parties		**(4,822)**	(6,378)
(Decrease)/increase in other payables and accruals		**(15,931)**	45,471
Increase/(decrease) in deferred revenue		**2,697**	(90)
Cash used in operations		**(55,764)**	(125,118)
Interest received		**9,541**	6,987
Income tax paid		**(400)**	–
Net cash flows used in operating activities		**(46,623)**	(118,131)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(35,790)**	(6,041)
Proceeds from disposal of items of property, plant and equipment		**100**	11
Additions to other intangible assets		**(400)**	–
Proceeds from disposal of financial assets at fair value through profit or loss		**–**	50
Placement of time deposits		**(200,360)**	(58,881)
Proceeds from maturity of time deposits		**187,651**	106,878
Net cash flows (used in)/from investing activities		**(48,799)**	42,017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**951**	–
Principal portion of lease payments		**(8,948)**	(11,686)
New bank loans		**228,200**	196,104
Repayment of bank loans		**(210,899)**	(202,094)
Proceeds from issuance of ordinary shares relating to the initial public offering		**–**	402,630
Interest paid		**(7,948)**	(7,564)
Payment of listing expenses		**–**	(21,019)
Repurchase of shares		**(22,750)**	–
Net cash flows (used in)/from financing activities		**(21,394)**	356,371
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(116,816)**	280,257
Cash and cash equivalents at beginning of year		**451,928**	166,378
Effect of foreign exchange differences, net		**(5,574)**	5,293
CASH AND CASH EQUIVALENTS AT END OF YEAR		**329,538**	451,928
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*20*	**402,069**	519,462
Less: Non-pledged time deposits with original maturity of more than three months when acquired	*20*	**72,531**	59,677
Restricted cash	*20*	**–**	7,857
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows		**329,538**	451,928

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the British Virgin Islands with limited liability as offshore holding company on 23 May, 2011 and re-domiciled and continued in the Cayman Islands with limited liability on 14 June, 2023. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 October, 2024. The registered address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company in the People's Republic of China ("**PRC**") is Building 19, Zhangjiang AI Island, No.55 Chuanhe Road, Pudong New District, Shanghai, PRC.

The Company is an investment holding company. During the year, the Company's subsidiaries, including controlled structured entities (together, the "**Group**") were principally engaged in the provision of Platform-as-a-Service ("**PaaS**") solutions focusing on one-stop audiovisual cloud services to enterprise customers. There were no significant changes in the nature of the Group's principal activities during the year.

Information about Subsidiaries

As at 31 December 2025, the Company had direct and indirect interests in its subsidiaries, including controlled structured entities, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). The particulars of the Company's principal subsidiaries are set out below:

Name	Place of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Qiniu (China) Limited ("**Qiniu (China)**")	Hong Kong	HK$1.00	100	–	Investment holding, network technology, hardware and software development
Superstify Technology Holdings Limited ("**Superstify**")	British Virgin Islands	US$1.00	100	–	Investment holding
Superstify Technology Company Limited (CÔNG TY TNHH KỸ THUẬT SUPERSTIFY) ("**Superstify VN** ")	Vietnam	VND 2,436,000,000	–	100	Network technology, hardware and software development
Kongshan Internet Technology (Shanghai) Co., Ltd. ("**Shanghai Kongshan**") 空山網絡科技(上海)有限公司*	PRC/Chinese mainland	US$16,800,000	–	100	Investment holding, network technology and software development
Beijing Kongyu Information Technology Co., Ltd. 北京空雨信息技術有限公司**	PRC/Chinese mainland	RMB2,000,000	–	100	Network technology, hardware and software development
Shanghai Qiniu Information Technology Co., Ltd. ("**Qiniu Information**") 上海七牛信息技術有限公司**	PRC/Chinese mainland	RMB50,000,000	–	100	Network technology, hardware and software development
Beijing Kongshan Information Technology Co., Ltd. ("**Beijing Kongshan**") 北京空山信息技術有限公司**	PRC/Chinese mainland	RMB10,000,000	–	100	Computer system services and consulting services

1. CORPORATE AND GROUP INFORMATION (continued)

Information about Subsidiaries (continued)

As at 31 December 2025, the Company had direct and indirect interests in its subsidiaries, including controlled structured entities, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong). The particulars of the Company's principal subsidiaries are set out below: (continued)

Name	Place of incorporation/ registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Qiniu (Shenzhen) Cloud Computing Co., Ltd. ("**Qiniu (Shenzhen)**") 七牛(深圳)雲計算有限公司**	PRC/Chinese mainland	RMB10,000,000	–	100	Network technology, hardware and software development
WarpDrive Technology PTE. LTD ("**WarpDrive**")	Singapore	S$100,000	–	100	Hardware and software development
Superstify Technology PTE. LTD ("**Superstify PTE.**")	Singapore	S$300,000	–	100	Investment holding, network technology, hardware and software development
Kongshan Internet Technology (Jiaxing) Co., Ltd. ("**Jiaxing Kongshan**") 空山網絡科技(嘉興)有限公司*	PRC/Chinese mainland	US$35,000,000	–	100	Network technology and software development
Jiaxing Qiniu Information Technology Co., Ltd. ("**Qiniu Jiaxing**") 嘉興七牛信息技術有限公司**	PRC/Chinese mainland	RMB10,000,000	–	100	Network technology, hardware and software development
Shanghai Sipaikexin Intelligent Technology Co., Ltd. ("**Shanghai Sipaikexin**") 上海思湃科新智能科技有限公司**	PRC/Chinese mainland	RMB1,000,000	–	100	Network technology, hardware and software development
Hangzhou Qizhu Intelligent Computing Technology Co., Ltd. (Hangzhou Qizhu) 杭州七珠智算科技有限公司**	PRC/Chinese mainland	RMB1,000,000	–	60	Network technology, hardware and software development

* Shanghai Kongshan and Jiaxing Kongshan are registered as two wholly-foreign-owned enterprises under PRC law.

** These entities are registered as limited liability companies under PRC law.

The English names of these entities registered in the PRC represent the best efforts made by the management of the Company to directly translate their Chinese names as they did not register any official English names. The Group's subsidiaries registered in the PRC are all limited liability companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

1. CORPORATE AND GROUP INFORMATION (continued)

Contractual Arrangements

Due to regulatory restrictions on foreign ownership in providing online information services (the "**Relevant Business**") in the PRC, certain cloud service business was carried out by Qiniu Information, Beijing Kongshan, Qiniu Jiaxing and their subsidiaries (collectively, the "**PRC Operating Entities**") during the year. Shanghai Kongshan and Jiaxing Kongshan, two wholly-foreign-owned enterprise subsidiaries of the Company (the "**WFOE**") have entered into a series of contractual arrangements ("**Contractual Arrangements**") with the PRC Operating Entities and their respective registered equity holders. The arrangements of the Contractual Arrangements enable the WFOE to exercise effective control over the PRC Operating Entities, to obtain substantially all economic benefits and to have an exclusive option to acquire all or part of the equity interests in the PRC Operating Entities, notwithstanding that the WFOE does not have any direct or indirect equity interest in the PRC Operating Entities.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the foreign currency translation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples, and the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet Effective IFRS Accounting Standards

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual/reporting periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but has an impact on the presentation and disclosure of the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. Based on a preliminary assessment, IFRS 19 and its amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial* Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 Material Accounting Policy Information

Fair value measurement

The Group measures its investments in unlisted entities and convertible redeemable preferred shares at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Fair value measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	The shorter of the estimated useful life of the assets and the lease terms
Servers and computer equipment	20%
Office equipment and furniture	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Intangible assets (other than goodwill) (continued)

Software
Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs
All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets
Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Servers and computer equipment	5 years
Office equipment and furniture	5 years
Buildings	2 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes investments in unlisted entities which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on investments in unlisted entities classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Impairment of financial assets (continued)

General approach (continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, convertible redeemable preferred shares, interest-bearing bank borrowings and lease liabilities.

The Group classifies financial liabilities that arise from a supplier finance arrangement within trade and bills payables in the statement of financial position if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and bills payables in the statement of financial position are included in operating activities in the statement of cash flows.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income or as a deduction against the related expense on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Revenue recognition

Revenue from contracts with customers

The Group is mainly engaged in the business of providing MPaaS products, APaaS solutions, DPaaS solutions and other cloud services.

(1) Media platform-as-a-service ("**MPaaS**") provides interactive live streaming products, intelligent media data analytics solutions, content delivery network services and object storage solutions.

(2) Application platform-as-a-service ("**APaaS**") provides one-stop scenario-based audiovisual solutions that package audiovisual functionalities of different scenarios in a low-code manner by leveraging MPaaS technologies. It mainly integrates image processing, live streaming and interaction, scene awareness analysis, audiovisual processing and storage services.

(3) Data platform-as-a-service ("**DPaaS**") provides data analytics solutions for enterprise customers, enabling them to develop, run and manage data analytics applications without the need to build and maintain the infrastructure themselves.

(4) Other cloud services primarily include a cloud virtual machine, which is a comprehensive suite of solutions including cloud servers, databases, network, security and storage.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

There are no significant variable considerations and financing components for the Group's revenue from contracts with customers.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

The Group's PaaS solutions, including MPaaS, APaaS and DPaaS are provided to its customers either as cloud services offered on public cloud which are principally charged based on usage, or provided on private cloud which are charged on a project basis. Other cloud services are charged based on usage over the service period.

Revenue from PaaS solutions offered on public cloud, including interactive live streaming products, content delivery network services, object storage solutions, intelligent media data analytics products, and other cloud services, is measured on a usage basis and is recognised over time, using an output method to measure the value to the customer of the services rendered to date, with no rights of return once consumed, because the customer simultaneously receives and consumes the benefits provided by the Group. The Group uses monthly utilisation records to recognise revenue over time as this method most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is fixed based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary.

In addition, revenue from software licences included in interactive live streaming providing add-on features is recognised at the point in time when software licences are accepted by the customer. Such software licences provide a right to use and the functionality that exists at the point in time they are granted to the customer, and there are no other performance obligations other than the promise to grant the licence. Consequently, the Group accounts for the licence as a performance obligation satisfied at a point in time.

Revenue from PaaS services offered on private cloud arises from hardware sales, software licences and post-delivery maintenance services. Revenue from hardware sales and software licences is recognised at the point in time when they are accepted by customers, which is when the control over the Group's goods or services is transferred to customers. Revenue from software licence is recognised at the point in time because such software can deliver stand-alone functionality without access to the maintenance services to customers. Once a customer has completed the testing of the functionalities of the software as an acceptance procedure, the customer can derive substantial benefit from the software licence on its own. The Group also provides related maintenance services for a specific period (normally 1 to 3 years after the customer's acceptance) after sale as stipulated in the same contract. These maintenance services are provided to maintain and improve the effectiveness of the software and therefore are accounted for as a separate performance obligation. Revenue from these post-delivery maintenance services is recognised on a straight-line basis over the service period as the customer receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Revenue recognition (continued)

Principal versus agent

When another party is involved in providing hardware to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the hardware itself (i.e. the Group is a principal) or to arrange for the hardware to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the hardware before the hardware is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the hardware by another party. In this case, the Group does not control the hardware provided by another party before hardware is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified hardware to be provided by the other party.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the discount cash flow method, option pricing model and binomial model, further details of which are given in note 29 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Other employee benefits (continued)

Pension scheme (continued)

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for employees of the Group's subsidiary which operates in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company, which was incorporated in the British Virgin Islands and re-domiciled in the Cayman Islands, is US$. Each entity in the Group determines its own functional currency and items included in the financial information of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Group's entities not operating in the Chinese mainland are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss. A foreign operation is defined as an entity that is a subsidiary, associate, joint arrangement, or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.

2. ACCOUNTING POLICIES (continued)

2.4 Material Accounting Policy Information (continued)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Group's entities not operating in the Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout a particular year are translated into RMB at the weighted average exchange rates for that particular year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB938,242,000 (2024: RMB949,195,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB173,350,000 (2024: RMB192,115,000). Further details on deferred taxes are disclosed in note 27 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Contractual arrangements

As disclosed in note 1, the Group exercises control over the PRC Operating Entities and enjoys substantially all their economic benefits and is exposed to their risks through the Contractual Arrangements.

The Company does not have any direct equity interests in the PRC Operating Entities. However, as a result of the Contractual Arrangements, the Company has power over the PRC Operating Entities, has rights to variable returns from its involvement with the PRC Operating Entities and has the ability to affect those returns through its power over the PRC Operating Entities. Consequently, the Company regards the PRC Operating Entities as indirect subsidiaries and has consolidated the financial position and results of the PRC Operating Entities in the financial statements throughout the year.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of investments in unlisted entities

When the fair values of financial assets recorded in the statement of financial position cannot be derived from active markets, their fair values are determined using valuation techniques including the use of comparable recent arm's length transactions and other valuation techniques commonly used by other market participants. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as the implied equity value, volatility and discount rate. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group classifies the fair value of these investments as Level 3. Further details are included in note 35 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation Uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on the ageing of receivables for groups of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and bills receivables is disclosed in note 17.

4. OPERATING SEGMENT INFORMATION AND REVENUE

Operating Segment Information

The Group is principally engaged in providing PaaS services to customers in the Chinese mainland.

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statement of profit or loss and the consolidated statement of other comprehensive income.

4. OPERATING SEGMENT INFORMATION AND REVENUE (continued)

Geographical information

Since almost all of the Group's non-current assets were located in the Chinese mainland and almost all of the revenue of the Group was derived from operations in the Chinese mainland during the reporting period, no geographical information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

Revenue of approximately RMB345,629,000 (2024: RMB285,032,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**1,768,710**	1,437,009

Revenue from Contracts With Customers

(a) Disaggregated revenue information

Types of products or services

	2025 RMB'000	2024 RMB'000
MPaaS	**1,281,520**	1,039,261
APaaS	**453,444**	353,950
DPaaS	**641**	3,630
Other cloud services	**33,105**	40,168
Total	**1,768,710**	1,437,009

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from Contracts With Customers (continued)

(a) Disaggregated revenue information (continued)

Timing of revenue recognition

	2025 RMB'000	2024 RMB'000
Revenue from services transferred to customers over time	**1,353,189**	1,235,242
Revenue from goods or services transferred to customers at a point in time	**415,521**	201,767
Total	**1,768,710**	1,437,009

(b) Performance obligations

The Group's PaaS solutions, including MPaaS, APaaS and DPaaS are provided to its customers either as cloud services offered on public cloud, which are principally charged based on usage, or as solutions offered on private cloud, which are charged on a project basis. Other cloud services are charged based on usage over the service period.

Information about the Group's performance obligations is summarised below:

PaaS solutions offered on public cloud

PaaS public cloud services provide customers with access to the Group's enterprise cloud computing platform, and revenue is recognised on a usage basis. The usage-based fees are recognised as revenue in the period in which the usage occurs. The Group uses monthly utilisation records to recognise revenue over time as this method most faithfully depicts the simultaneous consumption and delivery of services. At the end of each month, the transaction consideration is determined based on utilisation records and hence no estimation of the transaction price beyond the reporting period is necessary. In addition, revenue from software licences is recognised at the point in time when software licences are accepted by the customers because the software licences provide the right to use and the functionality that exists at the point in time they are granted to the customers. No other performance obligations are provided to customers.

PaaS solutions offered on private cloud

The Group's PaaS solutions offered on private cloud typically comprise the sale of hardware, software licences and post-delivery maintenance services. Revenue from software licences and hardware sales is recognised at the point in time when they are delivered to customers, which is when the control over the Group's goods or services is transferred to customers. Revenue from maintenance services is recognised on a straight-line basis over the service period as the customer receives and consumes the benefits provided by the Group.

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from Contracts With Customers (continued)

(b) Performance obligations (continued)

Other cloud services

Other cloud services primarily include a cloud virtual machine, which is a comprehensive suite of solutions including cloud servers, databases, network, security and storage. Revenue from other cloud services is recognised on an actual usage basis over the service period.

(c) Revenue recognised in relation to contract liabilities

The revenue recognised during the year that was included in the contract liabilities at the beginning of 2025 was RMB54,659,000 (2024: RMB71,685,000).

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the year and the amounts disclosed below do not include significant variable consideration that is constrained:

	2025 **RMB'000**	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within 1 year	**61,671**	63,265
After 1 year	**34,613**	31,916
Contract liabilities	**96,284**	95,181

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from Contracts With Customers (continued)

(c) Revenue recognised in relation to contract liabilities (continued)

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants	9,776	2,585
Bank interest income	9,686	6,841
Total other income	19,462	9,426
Gains		
Foreign exchange differences, net	–	315
Gains on early termination of certain leases	739	–
Others	182	18
Total gains	921	333
Total other income and gains	20,383	9,759

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of sales*		**1,442,130**	1,153,184
Depreciation of property, plant and equipment	*13*	**41,682**	41,913
Depreciation of right-of-use assets	*14(a)*	**10,165**	13,039
Amortisation of other intangible assets		**40**	–
Lease payments not included in the measurement of lease liabilities		**385**	384
Research and development costs*		**142,220**	157,645
Auditor's remuneration		**4,500**	3,300
Listing expenses		**–**	22,853
Fair value losses, net:			
Financial instruments at fair value through profit or loss		**6,922**	11,928
Convertible redeemable preferred shares	*26*	**–**	293,635
Foreign exchange differences, net		**990**	(315)
Bank interest income	*5*	**(9,686)**	(6,841)
Impairment losses on financial and contract assets		**49,556**	26,102
Losses on disposal of items of property, plant and equipment, net		**308**	4
Gains on early termination of certain leases		**(739)**	–
Employee benefit expense (including directors' and chief executive's remuneration (note 8)):			
Wages, salaries and other allowances		**181,414**	224,546
Pension scheme contributions and social welfare		**37,445**	46,375
Share-based payments	*29*	**8,287**	15,896

* The "cost of sales" and "research and development costs" above include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, and labour costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 RMB'000	2024 RMB'000
Interest on interest-bearing bank borrowings	**7,210**	6,929
Interest on lease liabilities	**715**	839
Total	**7,925**	7,768

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	**454**	97
Other emoluments:		
Salaries, allowances and benefits in kind	**5,005**	3,835
Performance related bonuses*	**1,718**	3,421
Share-based payments	**2,411**	5,309
Pension scheme contributions and social welfare	**341**	310
Subtotal	**9,475**	12,875
Total	**9,929**	12,972

The remuneration disclosed above includes the remuneration received by certain directors prior to their appointments as the directors of the Company.

* Certain directors of the Company are entitled to bonus payments which are associated with the operating results of the Group.

During the year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 29 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent Non-Executive Directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Wei Shaojun	136	29
Mr. Zhou Zheng	182	39
Dr. Shi Qing	136	29
Total	454	97

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

Mr. Wei Shaojun, Mr. Zhou Zheng and Dr. Shi Qing were appointed as independent non-executive directors on 25 September 2024.

(b) Executive Directors, a Non-Executive Director and the Chief Executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payments RMB'000	Pension scheme contributions and social welfare RMB'000	Total remuneration RMB'000
Year ended 31 December 2025						
Executive directors:						
Mr. Xu Shiwei	–	3,240	718	–	163	4,121
Ms. Chen Yiling	–	1,440	1,000	2,411	162	5,013
	–	4,680	1,718	2,411	325	9,134
Non-executive director:						
Mr. Lyu Guihua	–	325	–	–	16	341
Total	–	5,005	1,718	2,411	341	9,475

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive Directors, a Non-Executive Director and the Chief Executive (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payments RMB'000	Pension scheme contributions and social welfare RMB'000	Total remuneration RMB'000
Year ended 31 December 2024						
Executive directors:						
Mr. Xu Shiwei	–	2,659	2,296	–	147	5,102
Ms. Chen Yiling	–	1,065	1,125	5,309	157	7,656
	–	3,724	3,421	5,309	304	12,758
Non-executive director:						
Mr. Lyu Guihua	–	111	–	–	6	117
Total	–	3,835	3,421	5,309	310	12,875

Mr. Xu Shiwei is an executive director and the chief executive of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: two), details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company during the year are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	8,907	5,604
Performance related bonuses	3,333	3,591
Share-based payments	5,641	5,598
Pension scheme contributions and social welfare	777	432
Total	18,658	15,225

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
Nil to HK$4,500,000	3	1
HK$4,500,001 to HK$9,000,000	–	2
HK$9,000,001 to HK$18,000,000	–	–
Total	3	3

In prior years, share options were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and/or operate.

Cayman Islands

The Company was redomiciled in the Cayman Islands in 2023 as an exempted company with limited liability, and is exempt from Cayman Islands income tax under the current tax laws of the Cayman Islands.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands, the Group is not subject to any income tax.

Singapore

The income tax rate of Singapore was 17% during the year. In addition, three-quarters of up to the first S$10,000, and one-half of up to the next S$190,000, of a company's chargeable income otherwise subject to normal taxation is exempt from corporate tax. The remaining chargeable income, after the tax exemption, is fully taxable at the prevailing corporate tax rate.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the years ended 31 December 2025 and 2024.

Vietnam

Pursuant to the relevant laws and regulations in Vietnam, the subsidiary in Vietnam is subject to tax at the statutory rate of 20%.

Chinese Mainland

The subsidiaries incorporated in the Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Enterprise Income Tax Law which became effective on 1 January 2008, except for Qiniu Information, which was taxed at preferential tax rates.

Qiniu Information obtained its "High and New Technology Enterprise" qualification in 2019 and renewed the qualification in 2022. Qiniu Information's application for the renewal of the "High and New Technology Enterprise" qualification has successfully passed the review and is now in the public announcement phase. Based on management's assessment, Qiniu Information meets the qualifying criteria, so it was entitled to the preferential tax rate of 15% during the year.

Certain subsidiaries met the criteria as small-scaled and minimal profit enterprises with annual taxable income of less than RMB3,000,000, and their actual income amount subject to tax was calculated at 25% of their annual taxable income. The aforesaid calculated taxable income of these subsidiaries is entitled to a reduced corporate income tax rate of 20% for the period from 1 January 2023, expiring on 31 December 2027.

10. INCOME TAX (continued)

The major components of income tax expense of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Current income tax	**369**	31
Deferred income tax (note 27)	**–**	–
Total tax charge for the year	**369**	31

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the countries/jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	**(57,502)**	(459,336)
Tax calculated at statutory tax rate of each entity's jurisdiction	**(9,230)**	(36,567)
Tax effects of:		
Effect of preferential tax rates	**(1,646)**	3,798
Income not subject to tax	**(558)**	(478)
Expenses not deductible for tax	**163**	774
Share-based payments not deductible for tax	**1,661**	3,153
Additional deductible allowance for qualified research and development costs *(a)*	**(11,744)**	(13,819)
Tax losses not recognised	**12,659**	39,128
Temporary differences not recognised	**9,064**	4,042
Tax charge at the Group's effective rate	**369**	31

(a) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaged in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax-deductible expenses when determining their assessable profits.

10. INCOME TAX (continued)

Tax payable in the consolidated statement of financial position represents:

	2025 RMB'000	2024 RMB'000
PRC corporate income tax payable	–	31

The Group has accumulated tax losses in the Chinese mainland of RMB842,128,000 (2024: RMB906,871,000). These losses can be carried forward for a period of five to ten years to offset against future taxable profits of the entities in which the losses were incurred. The Group has deductible temporary differences of RMB121,368,000 in aggregate as at 31 December 2025 (2024: RMB60,941,000).

The Group has accumulated tax losses in Singapore and Hong Kong of RMB36,667,000 and RMB59,447,000, respectively, as at 31 December 2025 (2024: RMB15,164,000 and RMB27,160,000), which can be carried forward indefinitely to offset against future taxable profits of the entities in which the losses were incurred.

11. DIVIDENDS

No dividends have been declared and paid by the Company during the year (2024: Nil).

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,993,088,983 outstanding during the year ended 31 December 2025 (2024: 762,471,784).

	2025	2024
Loss attributable to owners of the Company (RMB'000)	**(57,870)**	(459,367)
Weighted average number of ordinary shares outstanding during the year*	**1,993,088,983**	762,471,784
Basic loss per share (expressed in RMB per share)	**(0.03)**	(0.60)

* On 16 October 2024, 1,632,795,088 ordinary shares were allotted and issued, credited as fully paid at par value to the shareholders on the register of members of the Company at the close of business on the date immediately preceding the date on which the IPO became unconditional (or as they may direct) in proportion to their respective shareholdings in the Company (as nearly as possible without fractions) by way of capitalisation of the sum of US$163,279.5088 standing to the credit of the share premium account of the Company ("**Capitalisation Issue**"), and the shares to be allotted and issued pursuant to the Capitalisation Issue shall rank pari passu in all respects with the then existing issued shares. All convertible redeemable preferred shares were automatically converted into ordinary shares on a one-for-one basis upon the successful IPO of the Company on 16 October 2024. For this Capitalisation Issue, the additional shares are treated as having been in issue for the whole year ended 31 December 2024.

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options.

As the Group incurred losses for the years ended 31 December 2025 and 2024, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

13. PROPERTY, PLANT AND EQUIPMENT

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2025				
At 1 January 2025:				
Cost	542,730	12,770	21,284	576,784
Accumulated depreciation	(454,946)	(11,800)	(19,061)	(485,807)
Net carrying amount	87,784	970	2,223	90,977
At 1 January 2025, net of accumulated depreciation	87,784	970	2,223	90,977
Additions	29,778	9	6,003	35,790
Disposals	(368)	(40)	–	(408)
Transfer to inventories	(583)	–	–	(583)
Depreciation provided during the year	(39,287)	(180)	(2,215)	(41,682)
At 31 December 2025, net of accumulated depreciation	77,324	759	6,011	84,094
At 31 December 2025:				
Cost	562,559	11,987	27,287	601,833
Accumulated depreciation	(485,235)	(11,228)	(21,276)	(517,739)
Net carrying amount	77,324	759	6,011	84,094

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024:				
Cost	511,128	6,799	19,595	537,522
Accumulated depreciation	(387,111)	(5,941)	(17,519)	(410,571)
Net carrying amount	124,017	858	2,076	126,951
At 1 January 2024, net of accumulated depreciation	124,017	858	2,076	126,951
Additions	4,352	–	1,689	6,041
Disposals	–	(15)	–	(15)
Transfer to inventories	(2,229)	–	–	(2,229)
Transfer from right-of-use assets	1,828	314	–	2,142
Depreciation provided during the year	(40,184)	(187)	(1,542)	(41,913)
At 31 December 2024, net of accumulated depreciation	87,784	970	2,223	90,977
At 31 December 2024:				
Cost	542,730	12,770	21,284	576,784
Accumulated depreciation	(454,946)	(11,800)	(19,061)	(485,807)
Net carrying amount	87,784	970	2,223	90,977

As at 31 December 2025, none of the Group's property, plant and equipment was pledged to secure bank borrowings of the Group (2024: Nil) (note 24).

14. LEASES

The Group as a Lessee

The Group has lease contracts for various items of buildings, servers and computer equipment used in its operations. Leases of buildings generally have lease terms between 24 months and 48 months, while servers and computer equipment and office equipment and furniture generally have lease terms of 5 years. Other rental agreements generally have lease terms of 12 months or less and/or is individually of low value.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Servers and computer equipment RMB'000	Office equipment and furniture RMB'000	Buildings RMB'000	Total RMB'000
At 1 January 2024	2,094	398	10,177	12,669
Additions	–	–	2,042	2,042
Reassessment of a lease term arising from a decision to exercise the extension option	–	–	26,868	26,868
Transfer to property, plant and equipment	(1,828)	(314)	–	(2,142)
Depreciation charge	(60)	(29)	(12,950)	(13,039)
At 31 December 2024	206	55	26,137	26,398
At 1 January 2025	**206**	**55**	**26,137**	**26,398**
Additions	**–**	**–**	**16,864**	**16,864**
Disposals	**–**	**–**	**(16,977)**	**(16,977)**
Depreciation charge	**(60)**	**(29)**	**(10,076)**	**(10,165)**
At 31 December 2025	**146**	**26**	**15,948**	**16,120**

14. LEASES (continued)

The Group as a Lessee (continued)

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**27,269**	10,045
New leases	**16,864**	2,042
Reassessment of a lease term arising from a decision to exercise the extension option	**–**	26,868
Accretion of interest recognised during the year	**715**	839
Disposals	**(17,716)**	–
Payments	**(9,663)**	(12,525)
Carrying amount at 31 December	**17,469**	27,269
Analysed into:		
Current portion	**8,945**	12,891
Non-current portion	**8,524**	14,378

The maturity analysis of lease liabilities is disclosed in note 36 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	**715**	839
Depreciation charge of right-of-use assets	**10,165**	13,039
Gains on early termination of certain leases	**(739)**	–
Expense relating to short-term leases (included in cost of sales, selling and marketing expenses, administrative expenses, and research and development costs)	**225**	341
Expense relating to leases of low-value assets (included in cost of sales, selling and marketing expenses, administrative expenses, and research and development costs)	**160**	43
Total amount recognised in profit or loss	**10,526**	14,262

(d) The total cash outflow for leases is disclosed in note 31(c) to the financial statements.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Investments in unlisted entities	**79,336**	86,258
Analysed into:		
Non-current portion	**79,336**	86,258

As at 31 December 2025, certain investments in associates which were managed through a venture capital investment organisation were measured as financial assets at fair value through profit or loss in accordance with IFRS 9, amounting to RMB77,113,000.00 (2024: RMB83,836,000.00).

16. INVENTORIES

	2025 RMB'000	2024 RMB'000
Hard discs and fittings	**2,994**	3,128
Servers for sale	**444**	4,703
Total	**3,438**	7,831

17. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	**609,798**	480,111
Impairment	**(99,032)**	(49,156)
Subtotal	**510,766**	430,955
Bank acceptance bills receivables	**2,840**	–
Total	**513,606**	430,955

17. TRADE AND BILLS RECEIVABLES (continued)

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationships. The credit period generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at 31 December 2025, the Group had certain concentrations of credit risk as 15% (2024: 19%) and 42% (2024: 45%) of the Group's trade receivables were due from the Group's largest debtor and five largest debtors, respectively. Except for the aforementioned concentrations of credit risk, the Group's trade receivables relate to a large number of diversified customers. Trade receivables are non-interest-bearing. As with other customers, the Group normally demands payment in advance.

The Group's bills receivable consist of bank acceptance bills with maturities within three months. Bills receivable are subject to impairment under the simplified approach, and the impact is considered to be minimal.

As at 31 December 2025 and 2024, the Group did not hold any collateral or other credit enhancements over its trade and bills receivable balances.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 90 days	410,675	346,270
90 days to 6 months	49,519	49,837
6 to 12 months	44,037	31,972
1 to 2 years	6,535	2,876
Total	510,766	430,955

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	49,156	24,063
Impairment losses, net	49,876	25,093
At end of year	99,032	49,156

17. TRADE AND BILLS RECEIVABLES (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days of the ageing of receivables for groups of various customer segments that have similar loss patterns. The calculation reflects the age of the balance, the existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and macroeconomic influences. The Group applies the simplified approach in calculating expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Within 90 days	**90 days to 6 months**	**6 to 12 months**	**1 to 2 years**	**Over 2 years**	**Total**
Expected credit loss rate	**2.91%**	**11.14%**	**35.63%**	**82.05%**	**100.00%**	**16.24%**
Gross carrying amount *(RMB'000)*	**422,974**	**55,586**	**68,141**	**37,151**	**25,946**	**609,798**
Expected credit losses *(RMB'000)*	**12,299**	**6,067**	**24,104**	**30,616**	**25,946**	**99,032**

As at 31 December 2024

	Within 90 days	90 days to 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
Expected credit loss rate	2.22%	7.89%	28.77%	81.55%	100.00%	10.24%
Gross carrying amount *(RMB'000)*	354,122	54,106	44,886	15,586	11,411	480,111
Expected credit losses *(RMB'000)*	7,852	4,269	12,914	12,710	11,411	49,156

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments	**16,824**	23,451
Recoverable value-added tax	**3,314**	813
Deferred assets	**1,853**	2,579
Deposits and other receivables	**6,149**	6,136
Total	**28,140**	32,979

Prepayments mainly represent advance payments to suppliers.

Deposits and other receivables mainly represent rental deposits and deposits with suppliers.

As there was no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). As at 31 December 2025 and 2024, the credit rating of other receivables was performing. The Group assessed that the expected credit losses for these receivables were not material under the 12-month expected loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the outstanding other receivable balances of the Group is not significant.

19. CONTRACT ASSETS

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Sale of products	**5,834**	–
Impairment losses	**(292)**	–
Net carrying amount	**5,542**	–

Contract assets are initially recognised for revenue earned from the sale of products as the receipt of consideration is conditional on successful completion of legal warranty terms. Included in contract assets for the sale of products are retention receivables. Upon completion of legal warranty terms, the amounts recognised as contract assets are reclassified to trade and bills receivables. The increase in contract assets in 2025 was the result of the increase in the ongoing sale of products and the provision of legal warranty services as of 31 December 2025.

19. CONTRACT ASSETS (continued)

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	5,542	–

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	–	–
Impairment losses, net	292	–
At end of year	292	–

The Group applies the simplified approach in calculating ECLs for contract assets. Contract assets relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining contract assets are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and macroeconomic influences.

Set out below is the information about the credit risk exposure on the Group 's contract assets using a provision matrix:

	2025	2024
Expected credit loss rate	5.00%	–
Gross carrying amount *(RMB'000)*	5,834	–
Expected credit losses *(RMB'000)*	292	–

20. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	**402,069**	519,462
Less: Non-pledged time deposits with original maturity of more than three months when acquired*	**(72,531)**	(59,677)
Restricted cash**	**–**	(7,857)
Cash and cash equivalents	**329,538**	451,928
Denominated in:		
RMB	**197,329**	99,728
US$	**128,108**	88,138
HK$	**3,827**	262,162
S$	**270**	1,891
VND	**4**	9
Total	**329,538**	451,928

* Short-term bank deposits were deposits with original maturities over three months and less than one year.

** As at 31 December 2024, the restricted cash of RMB7,857,000 primarily represented guarantee deposits.

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB and for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default.

21. TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**296,145**	263,658
Bills payable	**39,093**	47,664
Total	**335,238**	311,322

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 6 months	**315,078**	288,715
6 to 12 months	**6,857**	16,615
Over 1 year	**13,303**	5,992
Total	**335,238**	311,322

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

The Group has established supplier finance arrangements that are offered to some of the Group's key suppliers in the Chinese mainland. Participation in the arrangements is at the suppliers' own discretion. Suppliers that participate in the supplier finance arrangements will receive early payments or payments at the original due dates on invoices sent to the Group from the Group's external finance provider. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices must have been approved by the Group. Payments to suppliers ahead of or at the invoice due date are processed by the finance provider and the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date. Payment terms with suppliers have not been renegotiated in conjunction with the arrangements. The Group provides no security to the finance provider. The credit periods of the above supplier finance arrangements are usually not more than 6 months.

21. TRADE AND BILLS PAYABLES (continued)

The financial liabilities that are part of the supplier finance arrangements are included in trade and bills payables.

	2025 RMB'000	2024 RMB'000
Carrying amount of financial liabilities that are part of the supplier finance arrangements included in:		
Trade and bills payables	39,093	–
Of which suppliers have received payments	39,093	–

For financial liabilities that are part of the supplier finance arrangements included in trade and bills payables, there were no significant non-cash changes in the carrying amounts of these financial liabilities.

22. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payroll payables	55,476	73,442
Other tax payables	16,376	23,909
Accrued expenses	21,744	12,424
Deposits	215	215
Other payables	1,854	1,606
Total	95,665	111,596

Other payables and accruals are non-interest-bearing and repayable on demand.

23. CONTRACT LIABILITIES

	31 December 2025 RMB'000	31 December 2024 RMB'000	1 January 2024 RMB'000
Advances received from customers			
Sale of audiovisual PaaS services and solutions	**96,284**	95,181	115,225

Contract liabilities include advances received from customers for delivery of audiovisual PaaS services and solutions. The increase during the year ended 31 December 2025 was mainly due to the increase in advances received from customers as well as more service and product obligations remaining unsatisfied at the end of the year.

24. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	**Maturity**	**RMB'000**	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans – unsecured	**2.30-3.10**	**2026**	**213,382**	3.00-3.40	2025	196,104

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable		
Within one year	**213,382**	196,104

As at 31 December 2024 and 2025, certain subsidiaries of the Group provided guarantees for the Group's unsecured bank borrowings.

25. DEFERRED REVENUE

	2025 RMB'000	2024 RMB'000
Government grants:		
Non-current	**2,490**	247
Current	**544**	90
Total	**3,034**	337

The movements in deferred revenue during the year are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	**337**	427
Received during the year	**4,055**	–
Credited to profit or loss during the year	**(1,358)**	(90)
At end of year	**3,034**	337

Government grants received as compensation for the Group's research and development costs which have not yet been undertaken are included in deferred income and recognised as income on a systematic basis over the periods during which the costs, for which it is intended to compensate, are expensed. Government grants received related to assets invested in servers and computer equipment are credited to deferred revenue and are recognised as income over the expected useful lives of the relevant assets.

26. CONVERTIBLE REDEEMABLE PREFERRED SHARES

Since the date of incorporation, the Company has completed several rounds of financing arrangements by issuing preferred shares. On 16 October 2024, the Company was successfully listed on The Stock Exchange of Hong Kong Limited and made an offering of 159,750,000 shares at a price of HK$2.75 per share. Upon the successful completion of the initial public offering on 16 October 2024, all convertible redeemable preferred shares were fully converted into share capital and share premium.

The movements of the convertible redeemable preferred shares are set out below:

	Series A Preferred Shares	Series B Preferred Shares	Series C-1 Preferred Shares	Series C-2 Preferred Shares	Series D Preferred Shares	Series E-1 Preferred Shares	Series E-2 Preferred Shares	Series F Preferred Shares	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	84,532	150,352	127,541	207,282	585,046	529,744	821,654	708,888	3,215,039
Currency translation differences	520	920	761	1,231	3,165	2,945	4,297	3,437	17,276
Changes in fair value	33,530	57,531	41,129	64,662	61,700	86,721	28,589	(80,227)	293,635
Conversion into ordinary shares	(118,582)	(208,803)	(169,431)	(273,175)	(649,911)	(619,410)	(854,540)	(632,098)	(3,525,950)
At 31 December 2024	-	-	-	-	-	-	-	-	-

All convertible redeemable preferred shares were automatically converted into 155,442,246 ordinary shares upon the successful IPO on 16 October 2024 and the convertible redeemable preferred shares were derecognised and recorded as share capital and share premium accordingly.

Prior to the completion of initial public offering on 16 October 2024, the Group applied the discounted cash flow method and option pricing method to determine the fair value of the convertible redeemable preferred shares as of the dates of issuance and at the end of each reporting period.

27. DEFERRED TAX

Deferred Tax Liabilities

	2025		
	Financial assets at fair value through profit or loss RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2024	3,418	4,175	7,593
Deferred tax credited to profit or loss during the year	(1,039)	(1,666)	(2,705)
At 31 December 2025	2,379	2,509	4,888

Deferred Tax Assets

	2025		
	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 31 December 2024	4,298	3,295	7,593
Deferred tax charged to profit or loss during the year	(1,604)	(1,101)	(2,705)
At 31 December 2025	2,694	2,194	4,888

27. DEFERRED TAX (continued)

Deferred Tax Liabilities

	2024		
	Financial assets at fair value through profit or loss RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2023	5,207	2,096	7,303
Deferred tax (credited)/charged to profit or loss during the year	(1,789)	2,079	290
At 31 December 2024	3,418	4,175	7,593

Deferred Tax Assets

	2024		
	Lease liabilities RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 31 December 2023	1,699	5,604	7,303
Deferred tax credited/(charged) to profit or loss during the year	2,599	(2,309)	290
At 31 December 2024	4,298	3,295	7,593

27. DEFERRED TAX (continued)

Deferred Tax Assets (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	–	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–
Total	–	–

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Deferred tax assets have not been recognised with respect to tax losses and deductible temporary differences for certain subsidiaries. Further details are disclosed in note 10.

28. SHARE CAPITAL AND TREASURY SHARES

Shares

	2025 US$'000	2024 US$'000
Issued and fully paid:		
2,001,720,275 (2024: 1,996,644,474) ordinary shares of US$0.0001 each	200	200

28. SHARE CAPITAL AND TREASURY SHARES (continued)

Shares (continued)

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares	Amount RMB'000	Number of treasury shares	Amount RMB'000
At 1 January 2024	48,657,140	31	–	–
Issuance of shares through initial public offering *(a)*	159,750,000	114	–	–
Conversion of preferred shares into ordinary shares *(b)*	155,442,246	114	–	–
Capitalisation Issue *(c)*	1,632,795,088	1,159	–	–
At 31 December 2024 and 1 January 2025	**1,996,644,474**	**1,418**	**–**	**–**
Shares repurchased *(d)*	**–**	**–**	**(22,206,000)**	**(22,750)**
Share options exercised *(e)*	**5,075,801**	**3**	**–**	**–**
At 31 December 2025	**2,001,720,275**	**1,421**	**(22,206,000)**	**(22,750)**

Notes:

(a) On 16 October 2024, the Company issued 159,750,000 shares through initial public offering at the price of HK$2.75 per ordinary share, whose share capital of approximately RMB114,000 has been fully paid in cash on the same date.

(b) All convertible redeemable preferred shares were automatically converted into ordinary shares on a one-for-one basis upon the successful IPO of the Company on 16 October 2024. As a result, the convertible preferred shares were derecognised and recorded as share capital and share premium.

(c) On 16 October 2024, 1,632,795,088 ordinary shares were allotted and issued, credited as fully paid at par value to the shareholders on the register of members of the Company at the close of business on the date immediately preceding the date on which the IPO becomes unconditional (or as they may direct) in proportion to their respective shareholdings in the Company (as nearly as possible without fractions) by way of capitalisation of the sum of US$163,279.5088 standing to the credit of the share premium account of the Company ("**Capitalisation Issue**"), and the shares to be allotted and issued pursuant to the Capitalisation Issue shall rank pari passu in all respects with the then existing issued shares.

(d) During the year ended 31 December 2025, 22,206,000 of the Company's issued shares were purchased by a trustee on The Stock Exchange of Hong Kong Limited at a total consideration of approximately HK$24,963,000 (equivalent to approximately RMB22,750,000). As at 31 December 2025, the Group had 22,206,000 purchased shares classified as treasury shares held for the share award scheme.

(e) The subscription rights attaching to 5,075,801 (2024: Nil) share options were exercised at the subscription prices of HK$0.116 and HK$0.356 per share (2024: Nil), resulting in the issue of 5,075,801(2024: Nil) shares for a total cash consideration of HK$1,044,183 (equivalent to approximately RMB951,000) (2024: Nil). An amount of RMB474,000 (2024: Nil) was transferred from the share option reserve to share capital and share premium upon the exercise of the share options.

29. SHARE-BASED PAYMENTS

Share Incentive Plan

On 14 January 2013, the board of directors of the Company approved the establishment of a share option scheme which was then supplemented on 13 June 2014, 12 July 2017, 25 October 2018, and 11 May 2023, with the purpose of attracting, motivating, retaining and rewarding certain employees and directors. The maximum number of shares that may be issued under this option scheme shall be 18,107,143 ordinary shares. The share option scheme was effective since 2013 and continued in effect for a term of 10 years, authorising the directors of the Company at their discretion to grant employees of the Group options at agreed considerations to subscribe for shares of the Company. On 11 May 2023, the shareholders of the Company approved the extension of the term of share option scheme to 20 years. The maximum number of shares that may be issued under the option scheme has reduced to 14,654,577 shares, as a result of the repurchase of vested options from the former employees in years 2020, 2021 and 2022.

Upon completion of the Capitalisation Issue and the IPO, the maximum number of shares that may be issued under the option scheme was adjusted to 131,891,193 shares.

The share options shall vest over four years with graded vesting terms, on the condition that employees remain in service. For Type A vesting schedule, a certain percentage (10%-25%) of the aggregate number of granted share options vests immediately upon the grant date and the remaining granted share options vest in equal tranches every month over the next 48 months. For Type B vesting schedule, a certain percentage (0%-20%) of the aggregate number of granted share options vests immediately upon the grant date and the remaining granted share options vest in equal tranches on the first, second, third and fourth anniversaries of the grant date. For Type C vesting schedule, 25% of the granted share options vest on the first anniversary of the grant date and the remaining granted share options vest in equal tranches every month over the next 36 months. Generally, share options will expire on a date which is no later than 10 years from the date of grant.

As at 31 December 2025, the Group repurchased 31,073,094 (2024: 31,073,094) vested options from the former employees in exchange for a total consideration of US$3,933,200 (2024: US$3,933,200) in cash. The number of vested options has been adjusted to reflect the effect of the Capitalisation Issue.

The repurchased share options were cancelled from the option scheme. The number of shares issuable under the Company's option scheme was reduced by the number of vested options repurchased from the former employees.

Share options do not confer rights on the holders to receive dividends or to vote at shareholders' meetings.

29. SHARE-BASED PAYMENTS (continued)

Share Incentive Plan (continued)

The following shares were outstanding under the share incentive plan during the year:

	Average exercise price per share US$	Number of options
As at 1 January 2025	**0.17**	**131,225,193**
Forfeited during the year	**0.19**	**(587,655)**
Exercised during the year	**0.03**	**(5,075,801)**
Expired during the year	**0.24**	**(3,427,303)**
Outstanding as at 31 December 2025	**0.17**	**122,134,434**
As at 1 January 2024	1.51	14,309,577
Granted during the year *(a)*	1.50	583,750
Forfeited during the year *(a)*	2.62	(148,892)
Expired during the year *(a)*	2.55	(163,858)
Adjusted for the Capitalisation Issue *(b)*	–	116,644,616
Outstanding as at 31 December 2024	0.17	131,225,193

Notes:

(a) The number of shares is presented before the effect of the Capitalisation Issue.

(b) It represents the effects of adjustments made to the number of shares as a result of the Capitalisation Issue.

During the year ended 31 December 2025, the Group recognised share-based compensation expenses of RMB8,287,000 (2024: RMB15,896,000).

29. SHARE-BASED PAYMENTS (continued)

Share Incentive Plan (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

	2025
Number of outstanding share options	**122,134,434**
Number of exercisable share options	**112,055,648**
Exercise price	**US$0.02 – US$0.30**
Weighted average remaining contractual life	**5.5**

	2024
Number of outstanding share options *(a)*	131,225,193
Number of exercisable share options *(a)*	99,202,338
Exercise price *(a)*	US$0.02 – US$0.30
Weighted average remaining contractual life	6.4

The fair value of options granted during the year is estimated on the dates of grant primarily using option pricing model and binomial model with the following assumptions:

	2025	2024
Expected volatility	**53.17%**	53.17%
Risk-free interest rate	**4.51%**	4.51%
Exercise multiple	**2.2**	2.2
Expected forfeiture rate	**10.00%**	10.00%
Weighted average share price *(b)*	**US$0.17**	US$0.17
Expected life of options	**10 years**	10 years

(a) For the year ended 31 December 2024, the weighted average share price was adjusted pursuant to the Capitalisation Issue.

30. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

(a) Share Premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based Payment Reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 29 to the financial statements.

(c) Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of group entities. The reserve is dealt with in accordance with the accounting policy set out in note 2.4 to the financial statements.

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major Non-Cash Transactions

For the year ended 31 December 2025, the Group had non-cash reductions to right-of-use assets and lease liabilities of RMB852,000 and RMB852,000 (2024: additions of RMB28,910,000 and RMB28,910,000), respectively, in respect of lease arrangements for properties.

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(b) Changes in Liabilities arising from Financing Activities

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	**196,104**	**27,269**	**223,373**
Changes from financing cash flows	**10,068**	**(9,663)**	**405**
New leases	**–**	**16,864**	**16,864**
Disposals	**–**	**(17,716)**	**(17,716)**
Interest expense	**7,210**	**715**	**7,925**
At 31 December 2025	**213,382**	**17,469**	**230,851**

	Interest-bearing bank borrowings RMB'000	Lease liabilities RMB'000	Convertible redeemable preferred shares RMB'000	Total RMB'000
At 1 January 2024	201,890	10,045	3,215,039	3,426,974
Changes from financing cash flows	(12,715)	(12,525)	–	(25,240)
Changes in fair value	–	–	293,635	293,635
Currency translation differences	–	–	17,276	17,276
New leases	–	2,042	–	2,042
Reassessment of a lease term arising from a decision to exercise the extension option	–	26,868	–	26,868
Conversion into ordinary shares	–	–	(3,525,950)	(3,525,950)
Interest expense	6,929	839	–	7,768
At 31 December 2024	196,104	27,269	–	223,373

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(c) Total Cash Outflow for Leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	385	384
Within financing activities	9,663	12,525
Total	10,048	12,909

32. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Contracted, but not provided for:		
Property, plant and equipment	14,382	335

33. RELATED PARTY TRANSACTIONS

The directors are of the opinion that the following parties are related parties that had material transactions or balances with the Group during the year.

(a) Names of Related Parties and their Relationship with the Group

Name	Relationship with the Group
Shiwei Xu	Shareholder and executive management
Subsidiaries of Alibaba Group Holding Limited	Entities controlled by the ultimate holding company of the investor who has significant influence over the Company
Hangzhou Yima Technology Co., Ltd.	Entity which is significantly influenced by the Group
Shenzhen Zhichi Network Technology Development Co., Ltd.	Entity which is significantly influenced by the Group
Shanghai Shanma Intelligent Technology Co., Ltd.	Entity which is significantly influenced by the Group
Beijing Taiwu Network Technology Co., Ltd.	Entity which is significantly influenced by the Group
Quzhou Taiji Information Technology Co., Ltd.	Entity which is significantly influenced by the Group
Shenzhen Taiji Internet of Things Technology Co., Ltd.	Entity which is significantly influenced by the Group
Anhui Xishu Technology Co., Ltd.	Entity which is significantly influenced by the Group
Beijing Kongji Technology Co., Ltd.	Entity which is significantly influenced by the shareholder and executive management

33. RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with Related Parties

	2025 RMB'000	2024 RMB'000
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company:		
Sale of products or provision of services	**1,730**	8,792
Purchases of products or services	**12,780**	25,775
Entities which are significantly influenced by the Group:		
Sale of products or provision of services	**1,020**	137
Purchases of products or services	**13,514**	6,710
Entity which is significantly influenced by the shareholder and executive management:		
Sale of products or provision of services	**50**	64

These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(c) Outstanding Balances with Related Parties

	2025 RMB'000	2024 RMB'000
Due from related parties:		
Trade		
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company	**4,865**	4,293
Entities which are significantly influenced by the Group	**5,673**	5,609
Entity which is significantly influenced by the shareholder and executive management	**1,549**	2,199
Impairment	**(4,049)**	(4,661)
Total	**8,038**	7,440

33. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding Balances with Related Parties (continued)

The Group performs an impairment assessment under the ECL model on amounts due from related parties, which are subject to impairment assessment under IFRS 9. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition. As at 31 December 2025, the impairment of amounts due from related parties amounted to RMB4,049,000 (2024: RMB4,661,000).

	2025 RMB'000	2024 RMB'000
Due to related parties:		
Trade		
Entities controlled by the ultimate holding company of the investor who has significant influence over the Company	7,414	13,315
Entities which are significantly influenced by the Group	12,745	11,666
Total	20,159	24,981

Amounts due to related parties are unsecured, interest-free and normally settled on terms of 30 to 90 days.

(d) Compensation of Key Management Personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short term employee benefits	11,805	13,676
Pension scheme contributions and social welfare	904	904
Share-based payments	5,015	11,210
Total	17,724	25,790

Further details of directors' and the chief executive's emoluments are included in note 8 to the financial statements.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial Assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	79,336	–	79,336
Trade and bills receivables	–	513,606	513,606
Amounts due from related parties	–	8,038	8,038
Financial assets included in prepayments, deposits and other receivables	–	6,149	6,149
Time deposits	–	72,531	72,531
Cash and cash equivalents	–	329,538	329,538
Total	79,336	929,862	1,009,198

Financial Liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables	335,238
Financial liabilities included in other payables and accruals	23,813
Amounts due to related parties	20,159
Lease liabilities	17,469
Interest-bearing bank borrowings	213,382
Total	610,061

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

Financial Assets

	Financial assets at fair value through profit or loss RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	86,258	–	86,258
Trade and bills receivables	–	430,955	430,955
Amounts due from related parties	–	7,440	7,440
Financial assets included in prepayments, deposits and other receivables	–	6,136	6,136
Time deposits	–	59,677	59,677
Restricted cash	–	7,857	7,857
Cash and cash equivalents	–	451,928	451,928
Total	86,258	963,993	1,050,251

Financial Liabilities

	Financial liabilities at amortised cost RMB'000
Trade and bills payables	311,322
Financial liabilities included in other payables and accruals	14,245
Amounts due to related parties	24,981
Lease liabilities	27,269
Interest-bearing bank borrowings	196,104
Total	573,921

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, time deposits, trade and bills receivables, amounts due from related parties, financial assets included in prepayments, deposits and other receivables, trade and bills payables, financial liabilities included in other payables and accruals, amounts due to related parties, lease liabilities and short-term interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting.

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of financial assets at fair value through profit or loss have been estimated by reference to the market approach and using the equity valuation allocation model. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from these valuation techniques, which are recorded in the consolidated statement of financial position, the related changes in fair values, and the consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values as at the end of the reporting period.

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

31 December 2025

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("**P/S**")	3.45 to 6.05	10% increase/decrease would result in increase/decrease in fair value by 11%
	Valuation multiples	Price to earnings multiple ("**P/E**")	20.24	10% increase/decrease would result in increase/decrease in fair value by 8%
		Discounts for lack of marketability ("**DLOM**")	23.0% to 32.0%	10% increase/decrease would result in decrease/increase in fair value by 3%
		Volatility	37.51% to 58.02%	10% increase/decrease would result in decrease/increase in fair value by 1%

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024: (continued)

31 December 2024

Financial assets at fair value through profit or loss	Valuation technique	Significant unobservable inputs	Inputs	Sensitivity of fair value to the input
Investments in unlisted entities	Valuation multiples	Price to sales multiple ("**P/S**")	3.19 to 12.07	10% increase/decrease would result in increase/decrease in fair value by 5%
		Discounts for lack of marketability ("**DLOM**")	26.0% to 34.0%	10% increase/decrease would result in decrease/increase in fair value by 4%
		Volatility	49.3% to 54%	10% increase/decrease would result in decrease/increase in fair value by 6%
	The latest price method of financing	Risk-free rate	1.38%	10% increase/decrease would result in increase/decrease in fair value by 2%
		Volatility	50%	10% increase/decrease would result in decrease/increase in fair value by 12%

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**–**	**–**	**79,336**	**79,336**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	–	–	86,258	86,258

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy (continued)

Assets measured at fair value: (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets at fair value through profit or loss		
At beginning of year	86,258	98,186
Fair value losses on financial assets at fair value through profit or loss, net	(6,922)	(11,928)
At end of year	79,336	86,258

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial assets at fair value through profit or loss, interest-bearing bank borrowings, convertible redeemable preferred shares and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivable and trade and bills payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are recognised below.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2025 and 2024, none of the Group's interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of the reporting period, the Group did not have any significant exposure to the interest rate risk in the cash flows.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign Currency Risk

The functional currency of the Company and its subsidiaries incorporated in the Cayman Islands, the British Virgin Islands, Hong Kong, Singapore and Vietnam is US$, and the Group is exposed to foreign currency risk with respect to transactions denominated in currencies other than US$. In addition, in the Chinese mainland, the Group principally conducted business in RMB, and is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of forward currency contracts).

	Increase/ (decrease) in US$/HK$ rate %	Increase/ (decrease) in profit before tax RMB'000	Increase/ (decrease) in equity RMB'000
2025			
If the RMB weakens against the US$	**5**	**9,507**	**9,507**
If the RMB strengthens against the US$	**(5)**	**(9,507)**	**(9,507)**
If the RMB weakens against the HK$	**5**	**182**	**182**
If the RMB strengthens against the HK$	**(5)**	**(182)**	**(182)**
2024			
If the RMB weakens against the US$	5	7,057	7,057
If the RMB strengthens against the US$	(5)	(7,057)	(7,057)
If the RMB weakens against the HK$	5	12,484	12,484
If the RMB strengthens against the HK$	(5)	(12,484)	(12,484)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk

The Group only offers credit terms to recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	612,638	612,638
Amounts due from related parties	–	–	–	12,087	12,087
Financial assets included in prepayments, deposits and other receivables					
– Normal**	6,149	–	–	–	6,149
Time deposits					
– Not yet past due	72,531	–	–	–	72,531
Cash and cash equivalents					
– Not yet past due	329,538	–	–	–	329,538
Total	408,218	–	–	624,725	1,032,943

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	–	–	–	480,111	480,111
Amounts due from related parties	–	–	–	12,101	12,101
Financial assets included in prepayments, deposits and other receivables					
– Normal**	6,136	–	–	–	6,136
Time deposits					
– Not yet past due	59,677	–	–	–	59,677
Restricted cash					
– Not yet past due	7,857	–	–	–	7,857
Cash and cash equivalents					
– Not yet past due	451,928	–	–	–	451,928
Total	525,598	–	–	492,212	1,017,810

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 17 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity Risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

Due to the Group's supplier finance arrangements, the relevant trade payables are due to a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with a number of suppliers. However, the Group's payment terms for trade payables covered by the arrangements are either identical to the payment terms for other trade payables or extended to not more than 180 days. Management does not consider the supplier finance arrangements to result in excessive concentrations of liquidity risk given the payment terms are not significantly extended. Details of the arrangements are disclosed in note 21 to the financial statements.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	23,813	–	–	23,813
Interest-bearing bank borrowings	216,260	–	–	216,260
Trade and bills payables	335,238	–	–	335,238
Lease liabilities	9,369	8,872	–	18,241
Due to related parties	20,159	–	–	20,159
Total	604,839	8,872	–	613,711

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity Risk (continued)

	2024			
	Within 1 year or on demand RMB'000	1 year to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in other payables and accruals	14,245	–	–	14,245
Interest-bearing bank borrowings	199,144	–	–	199,144
Trade and bills payables	311,322	–	–	311,322
Lease liabilities	13,607	14,703	–	28,310
Due to related parties	24,981	–	–	24,981
Total	563,299	14,703	–	578,002

Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. As at 31 December 2025, the Group's debt-to-asset ratio was 68% (2024: 64%).

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS		
Interests in subsidiaries	**1,703,263**	1,726,729
Total non-current assets	**1,703,263**	1,726,729
CURRENT ASSETS		
Prepayments, deposits and other receivables	**1,412**	114
Due from subsidiaries	**496,833**	394,788
Cash and cash equivalents	**4,810**	147,071
Total current assets	**503,055**	541,973
CURRENT LIABILITIES		
Other payables and accruals	**2,221**	3,037
Total current liabilities	**2,221**	3,037
NET CURRENT ASSETS	**500,834**	538,936
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,204,097**	2,265,665
NET ASSETS	**2,204,097**	2,265,665
EQUITY		
Share capital	**1,421**	1,418
Treasury shares	**(22,750)**	–
Reserves	**2,225,426**	2,264,247
Total equity	**2,204,097**	2,265,665

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's equity is as follows:

	Share Capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2024	31	–	170,515	(122,819)	(1,394,783)	(1,347,056)
Loss for the year	–	–	–	–	(321,122)	(321,122)
Other comprehensive income:						
Exchange differences on translation	–	–	–	11,299	–	11,299
Total comprehensive loss for the year	–	–	–	11,299	(321,122)	(309,823)
Issuance of ordinary shares relating to initial public offering, net of underwriting commissions and other issuance costs	114	380,584	–	–	–	380,698
Conversion of convertible redeemable preferred shares to ordinary shares	114	3,525,836	–	–	–	3,525,950
Capitalisation Issue	1,159	(1,159)	–	–	–	–
Equity-settled share option arrangements	–	–	15,896	–	–	15,896
At 31 December 2024	1,418	3,905,261	186,411	(111,520)	(1,715,905)	2,265,665

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: (continued)

A summary of the Company's equity is as follows: (continued)

	Share Capital RMB'000	Treasury Shares RMB'000	Share premium RMB'000	Share option reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 1 January 2025	1,418	–	3,905,261	186,411	(111,520)	(1,715,905)	2,265,665
Loss for the year	–	–	–	–	–	(3,126)	(3,126)
Other comprehensive income:							
Exchange differences on translation	–	–	–	–	(44,930)	–	(44,930)
Total comprehensive loss for the year	–	–	–	–	(44,930)	(3,126)	(48,056)
Exercise of share options	3	–	1,422	(474)	–	–	951
Equity-settled share option arrangements	–	–	–	8,287	–	–	8,287
Shares repurchased	–	(22,750)	–	–	–	–	(22,750)
At 31 December 2025	1,421	(22,750)	3,906,683	194,224	(156,450)	(1,719,031)	2,204,097

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 20 March 2026.