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Application Proof of

YONYOU NETWORK TECHNOLOGY CO., LTD.
用友網絡科技股份有限公司

(the "**Company**")

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

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YONYOU NETWORK TECHNOLOGY CO., LTD.
用友網絡科技股份有限公司

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

[REDACTED]

Number of [REDACTED] in the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED], [REDACTED], [REDACTED] *and* [REDACTED]**

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The [**REDACTED**] (for themselves and on behalf of the [**REDACTED**], and with our consent) may, where considered appropriate and with our consent, reduce the number of [**REDACTED**] and/or the indicative [**REDACTED**] range that stated in this document at any time prior to the morning of the last day for lodging applications under the [**REDACTED**]. In such a case, notices of the reduction in the number of [**REDACTED**] and/or the indicative [**REDACTED**] range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.yonyou.com** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [**REDACTED**]. For more details, see "Structure of the [**REDACTED**]" and "How to Apply for [**REDACTED**]."

Prior to making an [**REDACTED**] decision, prospective [**REDACTED**] should carefully consider all of the information set out in this document, including but not limited to the risk factors set out in "Risk Factors."

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED], and to procure applicants for the [REDACTED], the [REDACTED], are subject to termination by the [REDACTED]] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Such grounds are set out in ["[REDACTED]."]

[REDACTED]

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

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SUMMARY

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

OVERVIEW

Who We Are

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

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

What We Do

Our Business Model

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

For large enterprise customers, we primarily rely on our in-house sales team for customer development and engagement. We focus on serving strategically important customers with *YonBIP* and implement a marketing strategy structured by geographic regions and industry sectors to ensure efficient resource allocation and customer reach. For medium-sized customers, we rely on our in-house sales team and our ecosystem partners to cover customers in different geographic regions and to market and deliver our standardized products and services, primarily *YonSuite* and *U9 cloud*. For MSE customers, we offer cloud-based, digital and intelligent services for their financial, tax and business management. Our products primarily include *Good Accountant (好會計)*, *Good Business (好生意)*, *Good Business and Finance (好業財)*, *Easy Accounting Agent (易代賬)*, and *T+Cloud*. For public sector organizations, we provide them with, among others, digital and intelligent budget management services.

Our Offerings

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

We began the exploration of cloud technologies' application within the digital enterprise service domain as early as 2015, and started to generate revenue from cloud-based service offerings in 2016. We launched *YonBIP* in 2020, and began to establish a new-generation, cloud-based product matrix. Beginning in 2021, we further developed and enhanced our Yonyou BIP product series. Concurrent with the launch of Yonyou BIP, we began integrating AI capabilities into our cloud-based services. In 2023, we launched YonGPT, our enterprise-application large language model ("**LLM**"), marking a significant expansion of AI capabilities within our cloud service portfolio. In 2025, we introduced Yonyou BIP Enterprise AI, an AI application suite comprising a range of intelligent agents designed to support complex enterprise business and management scenarios.

At the core of our cloud-based service offerings is Yonyou BIP, an integrated platform designed to empower enterprises with the tools, capabilities and resources needed for digital and intelligent operations. Our Yonyou BIP product series comprises *YonBIP* for large enterprises and *YonSuite* for medium-sized companies. Yonyou BIP effectively addresses challenges of traditional enterprise software, such as siloed applications, fragmented data, and standalone AI modules that are disconnected from actual enterprise workflows, aligning with enterprises' evolving needs for digital and intelligent transformation. We remain deeply focused on key industry verticals, such as automotive, government affairs, and finance. We deliver cloud-based services tailored to the core needs of each industry and support our customers' digital transformation. Our software products are designed to solely support on-premises deployment and operations. Our software products serve large and medium-sized enterprises, helping enterprises achieve digital operations within their internal IT environment.

Our AI Capabilities

We have focused on integrating AI into our product offerings, and have launched Yonyou BIP Enterprise AI to empower Yonyou BIP with AI capabilities. Yonyou BIP Enterprise AI integrates domestically-developed enterprise software and LLM, and embeds AI technologies into enterprises' operational processes and management. By seamlessly integrating operational processes, data and AI-native applications, Yonyou BIP Enterprise AI delivers three key benefits, including unified AI infrastructure, AI-powered enterprise operations and AI agents.

Our Market Opportunities

According to Frost & Sullivan, the global enterprise software and service market is expected to grow rapidly from US$417.5 billion in 2025 to US$722.5 billion in 2030 at CAGR of 11.6%. China's enterprise software and service market is projected to increase from RMB222.5 billion in 2025 to RMB391.5 billion in 2030 at a CAGR of 12.0%. The market has observed three key trends: (i) enterprises in China are expected to take a global lead in AI adoption, (ii) adoption of domestically-developed enterprise software has become a prevalent trend, and (iii) Chinese enterprise software and service providers are expanding globally. Our strong brand presence in China and the broader Asia-Pacific region supports our overseas development since 2003. As of March 31, 2026, we had operated 14 overseas offices and cumulatively served over 1,800 customers outside of Chinese Mainland, with 60% being foreign enterprises and 40% Chinese enterprises operating overseas. Our customers span more than 40 countries and regions. Among Chinese software companies, we maintain the most extensive global operations and the highest overseas revenue contribution.

Our Financial Performance

Our revenue was RMB9,442.5 million, RMB8,817.4 million, RMB8,862.3 million, RMB1,307.2 million and RMB1,382.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our revenue fluctuations during the Track Record Period were primarily due to several strategic and external factors. First, we have prioritized acquiring and serving top-tier customers, which represent the most advanced enterprise operation and management standards. This approach strengthens our market leadership but comes with challenges, such as longer customer acquisition cycles and complex product implementation and delivery processes. Second, as we began to transition towards promoting our new-generation cloud-based services, particularly our Yonyou BIP product series, we experienced a period of revenue volatility. Finally, certain customers have adopted more cautious procurement decisions in response to broader industry and economic conditions. We recorded losses of RMB933.2 million, RMB2,069.8 million, RMB1,351.1 million, RMB756.3 million and RMB744.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. In addition to the factors discussed above, these losses were primarily attributable to increased delivery costs and efforts. Further, we continued to invest in the R&D of Yonyou BIP.

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

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

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) product leadership underpinned by innovation; (ii) industry-leading AI capabilities; (iii) extensive and highly engaged customer base; (iv) integrated ecosystem fostering shared success; and (v) forward-looking management and deep talent reserve.

OUR GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) enhancing product and technology competitiveness to drive business growth; (ii) accelerating AI integration across products and internal operations; (iii) further expanding overseas presence and customer coverage; (iv) empowering customers' digital and intelligent transformation through product innovation and service delivery; (v) strengthening ecosystem collaboration and fostering mutual success with partners; and (vi) transforming delivery models with intelligent delivery systems.

RESEARCH AND DEVELOPMENT

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

OUR MAJOR CUSTOMERS AND SUPPLIERS

Since our inception, we have accumulated a large and diversified enterprise customer base, spanning across a broad range of industry sectors. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue generated from our top five customers in each year/period during the Track Record Period accounted for 4.1%, 3.7%, 3.3% and 3.9% of our total revenue, respectively, and revenue from our top customer in each year/period during the Track Record Period accounted for 1.1%, 1.2%, 0.9% and 1.4% of our total revenue in the same periods, respectively.

Our suppliers primarily include professional service providers, independent software vendors and cloud infrastructure providers. In 2023, 2024, 2025 and the three months ended March 31, 2026, purchases from our top five suppliers in each year/period during the Track Record Period accounted for 4.2%, 3.3%, 3.5% and 3.7% of our total purchases, respectively; and purchases from our largest supplier in each year/period during the Track Record Period accounted for 0.9%, 0.8%, 1.4% and 2.0% of our total purchases in the same periods, respectively.

COMPETITION

The markets in which we operate are highly competitive. Our major competitors include players in the markets of enterprise software and services. We believe the principal competitive factors in our industries are functionality and effectiveness of the products and services, user experience, technology and infrastructure capabilities, sales capabilities, industry knowledge, and brand recognition and reputation. In addition, new and enhanced technologies and new market entrants may further increase competition in our industries. We believe that we are well-positioned to compete effectively based on the foregoing factors. See "Business — Our Competitive Strengths" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of the Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**9,442,538**	**100.0**	**8,817,429**	**100.0**	**8,862,267**	**100.0**	**1,307,225**	**100.0**	**1,382,643**	**100.0**
Cost of sales	(4,791,104)	(50.7)	(4,760,273)	(54.0)	(4,589,269)	(51.8)	(830,543)	(63.5)	(798,812)	(57.8)
Gross profit	**4,651,434**	**49.3**	**4,057,156**	**46.0**	**4,272,998**	**48.2**	**476,682**	**36.5**	**583,831**	**42.2**
Other income and gains/(losses), net	847,652	9.0	607,029	6.9	760,156	8.6	217,197	16.6	170,791	12.4
Research and development costs	(2,106,470)	(22.3)	(2,121,782)	(24.1)	(2,285,525)	(25.8)	(559,823)	(42.8)	(579,179)	(41.9)
Sales and marketing expenses	(2,742,894)	(29.0)	(2,621,739)	(29.7)	(2,442,600)	(27.6)	(454,897)	(34.8)	(449,041)	(32.5)
Administrative expenses	(1,113,426)	(11.8)	(1,225,945)	(13.9)	(1,083,288)	(12.2)	(315,838)	(24.2)	(343,528)	(24.8)
Impairment losses on financial and contract assets	(218,524)	(2.3)	(296,791)	(3.4)	(269,862)	(3.0)	(65,457)	(5.0)	(60,110)	(4.3)
Other expenses	(113,715)	(1.2)	(333,554)	(3.8)	(202,699)	(2.3)	(22,302)	(1.7)	(22,432)	(1.6)
Finance expenses	(170,860)	(1.8)	(178,859)	(2.0)	(176,602)	(2.0)	(45,061)	(3.4)	(38,450)	(2.8)
Share of profits and losses of:										
– A joint venture	(122)	0.0	(872)	0.0	–	–	–	–	–	–
– Associates	56,923	0.6	39,109	0.4	58,400	0.7	5,831	0.4	(14,479)	(1.0)
Loss before tax	**(910,002)**	**(9.6)**	**(2,076,248)**	**(23.5)**	**(1,369,022)**	**(15.4)**	**(763,668)**	**(58.4)**	**(752,597)**	**(54.4)**
Income tax (expense)/credit	(23,236)	(0.2)	6,416	0.1	17,924	0.2	7,327	0.6	8,211	0.6
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**

Non-IFRS Measures

To supplement our consolidated financial statements, we use adjusted net profit/(loss) (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. However, our presentation of adjusted net profit/(loss) (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures as an analytical tool has limitations, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net profit/(loss) (non-IFRS measure) as profit/(loss) for the year/period adjusted by adding back share-based compensation expenses. The following table reconciles our adjusted net profit/(loss) (non-IFRS measure) for the year/period presented in accordance with IFRS, which is profit/(loss) for the year/period:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Reconciliation of loss for the year/period to adjusted net loss (non-IFRS measure)										
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Add:										
Share-based compensation expenses[(1)]	42,214	0.4	79,020	0.9	34,206	0.4	10,550	0.8	4,873	0.3
Adjusted net profit/(loss) (non-IFRS measure)	**(891,024)**	**(9.4)**	**(1,990,812)**	**(22.6)**	**(1,316,892)**	**(14.9)**	**(745,791)**	**(57.1)**	**(739,513)**	**(53.5)**

(1) Share-based compensation expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific year/period are not expected to result in future cash payments.

We define EBITDA (non-IFRS measure) as profit/(loss) for the year/period, adjusted by adding back income tax expense/(credit), finance expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortization of other intangible assets, and less bank interest income under other income and gains, net. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back share-based compensation expenses. The following table reconciles our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the year/period presented in accordance with IFRS, which is profit/(loss) for the year/period:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Reconciliation of loss for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)										
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Add:										
Income tax expense/(credit)	23,236	0.2	(6,416)	(0.1)	(17,924)	(0.2)	(7,327)	(0.6)	(8,211)	(0.6)
Finance expenses	170,860	1.8	178,859	2.0	176,602	2.0	45,061	3.4	38,450	2.8
Depreciation of property, plant and equipment	144,897	1.5	138,438	1.6	124,273	1.4	30,088	2.3	30,804	2.2
Depreciation of right-of-use assets	89,176	0.9	82,839	0.9	67,326	0.8	17,922	1.4	15,678	1.1
Amortization of other intangible assets	702,096	7.4	988,162	11.2	1,232,108	13.9	306,239	23.4	345,420	25.0
Less:										
Bank interest income	104,817	1.1	67,462	0.8	42,902	0.5	14,018	1.1	8,697	0.6
EBITDA (non-IFRS measure)	**92,210**	**1.0**	**(755,412)**	**(8.6)**	**188,385**	**2.1**	**(378,376)**	**(28.9)**	**(330,942)**	**(23.9)**
Add:										
Share-based compensation expenses	42,214	0.4	79,020	0.9	34,206	0.4	10,550	0.8	4,873	0.3
Adjusted EBITDA (non-IFRS measure)	**134,424**	**1.4**	**(676,392)**	**(7.7)**	**222,591**	**2.5**	**(367,826)**	**(28.1)**	**(326,069)**	**(23.6)**

Revenue

The following table sets forth the breakdown of our revenue by product and service types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Cloud-based services	7,047,540	74.6	6,803,966	77.2	7,017,404	79.2	1,040,895	79.6	1,125,726	81.4
Software products	2,163,665	22.9	1,708,513	19.4	1,512,118	17.1	208,530	16.0	201,721	14.6
Others	231,333	2.5	304,950	3.4	332,745	3.7	57,800	4.4	55,196	4.0
Total	**9,442,538**	**100.0**	**8,817,429**	**100.0**	**8,862,267**	**100.0**	**1,307,225**	**100.0**	**1,382,643**	**100.0**

Cost of Sales

The following table sets forth the breakdown of our cost of sales by nature, both in absolute amounts and as a percentage of our total cost of sales, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Staff costs	2,633,304	55.0	2,686,595	56.4	2,390,415	52.1	520,207	62.6	509,041	63.7
Professional service costs	1,464,639	30.6	1,355,091	28.5	1,607,857	35.0	208,578	25.1	221,296	27.7
Costs related to procurement of public cloud resources	56,012	1.2	85,359	1.8	85,487	1.9	22,589	2.7	24,911	3.1
Travel expenses	275,056	5.7	239,407	5.0	176,242	3.8	10,659	1.3	8,987	1.1
Depreciation and amortization	147,218	3.1	130,526	2.7	91,969	2.0	24,702	3.0	6,425	0.8
Others	214,875	4.4	263,295	5.6	237,299	5.2	43,808	5.3	28,152	3.6
Total	**4,791,104**	**100.0**	**4,760,273**	**100.0**	**4,589,269**	**100.0**	**830,543**	**100.0**	**798,812**	**100.0**

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales was RMB4,791.1 million, RMB4,760.3 million, RMB4,589.3 million, RMB830.5 million and RMB798.8 million, respectively, accounting for 50.7%, 54.0%, 51.8%, 63.5% and 57.8% of our total revenue in the same periods, respectively. Our cost of sales as a percentage of our total revenue increased in 2024, primarily due to increased delivery costs and efforts to ensure a high-quality delivery experience for our Yonyou BIP product series. Our cost of sales as a percentage of our total revenue decreased in 2025 and in the three months ended March 31, 2026, as compared to the same period in 2025, primarily due to enhanced delivery efficiency and product maturity.

Gross Profit and Gross Profit Margin

The following table sets forth the breakdown of our gross profit and gross profit margin by product types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)									
							(unaudited)			
Cloud-based services	3,320,578	47.1	3,064,143	45.0	3,496,551	49.8	358,258	34.4	468,977	41.7
Software products	1,297,527	60.0	967,017	56.6	725,963	48.0	110,291	52.9	110,012	54.5
Others	33,329	14.4	25,996	8.5	50,484	15.2	8,133	14.1	4,842	8.8
Total	**4,651,434**	**49.3**	**4,057,156**	**46.0**	**4,272,998**	**48.2**	**476,682**	**36.5**	**583,831**	**42.2**

Net Profit/Loss

Our loss for the year increased from RMB933.2 million in 2023 to RMB2,069.8 million in 2024, primarily due to the decrease in revenue, mainly as the complexity of top-tier customers' operations slowed product implementation and delivery and constrained our ability to deliver products to new customers, and the increase in research and development costs, mainly attributable to depreciation and amortization of capitalized costs for developing and upgrading Yonyou BIP. Our loss for the year decreased to RMB1,351.1 million in 2025, and further decreased from RMB756.3 million in the three months ended March 31, 2025 to RMB744.4 million in the three months ended March 31, 2026, primarily due to (i) the increase in gross profit, driven by enhanced delivery efficiency and product maturity, and (ii) improved operating efficiency, reflected in lower operating expenses mainly resulting from workforce streamlining and organizational structure optimization.

Summary of the Consolidated Statements of Financial Position

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Total non-current assets	12,598,679	13,125,564	13,152,487	13,145,864
Total current assets	12,922,362	11,031,272	8,478,792	7,986,643
Total current liabilities	11,122,052	12,365,043	11,212,880	12,047,606
Net current assets/(liabilities)	1,800,310	(1,333,771)	(2,734,088)	(4,060,963)
Total assets less current liabilities	14,398,989	11,791,793	10,418,399	9,084,901
Total non-current liabilities	2,595,627	1,992,317	1,170,442	578,446
Net assets	11,803,362	9,799,476	9,247,957	8,506,455
Non-controlling interests	1,650,962	1,552,872	1,649,393	1,611,010

Our net assets decreased from RMB11,803.4 million as of December 31, 2023 to RMB9,799.5 million as of December 31, 2024, primarily due to loss for the year of RMB2,069.8 million and shares repurchased of RMB261.1 million. Our net assets then decreased to RMB9,248.0 million as of December 31, 2025, primarily due to loss for the year of RMB1,351.1 million, partially offset by sales of treasury shares of RMB241.8 million. Our net assets then decreased to RMB8,506.5 million as of March 31, 2026, primarily due to loss for the period of RMB744.4 million and transaction with non-controlling interests of RMB24.1 million.

We had net current liabilities of RMB1,333.8 million as of December 31, 2024, compared to net current assets of RMB1,800.3 million as of December 31, 2023, primarily due to an increase of RMB1,297.3 million in interest-bearing bank loans and a decrease of RMB1,096.1 million in cash and cash equivalents.

Our net current liabilities increased from RMB1,333.8 million as of December 31, 2024 to RMB2,734.1 million as of December 31, 2025, primarily due to a decrease of RMB2,536.2 million in cash and cash equivalents as we partially repaid bank borrowings.

Our net current liabilities increased from RMB2,734.1 million as of December 31, 2025 to RMB4,061.0 million as of March 31, 2026, primarily due to (i) a decrease of RMB1,422.5 million in cash and cash equivalents in relation to the purchase of wealth management products to better utilize our cash on hand and (ii) an increase of RMB792.8 million in interest-bearing bank loans as we obtained more bank loans to support our business operation.

Summary of the Consolidated Statements of Cash Flows

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Net cash flows from/(used in) operating activities	(90,499)	(273,648)	812,386	(1,022,483)	(1,005,060)
Net cash flows used in investing activities	(542,469)	(1,108,128)	(1,346,723)	(1,309,531)	(1,364,764)
Net cash flows from/(used in) financing activities	2,088,769	287,579	(2,002,893)	(434,502)	951,117
Net increase/(decrease) in cash and cash equivalents	1,455,801	(1,094,197)	(2,537,230)	(2,766,516)	(1,418,707)
Cash and cash equivalents at beginning of the year/period	5,294,235	6,752,939	5,656,857	5,656,857	3,120,651
Effect of foreign exchange rate changes, net	2,903	(1,885)	1,024	(1,181)	(3,784)
Cash and cash equivalents at end of the year/period	6,752,939	5,656,857	3,120,651	2,889,160	1,698,160

We recorded net cash flows used in operating activities of RMB90.5 million, RMB273.6 million, RMB1,022.5 million and RMB1,005.1 million in 2023, 2024 and the three months ended March 31, 2025 and 2026, respectively, primarily due to our loss before tax, increase in trade and bills receivables, decrease in other payables and accruals, and increase in contract assets. We recorded net cash generated from operating activities of RMB812.4 million in 2025, primarily due to our reduced loss before tax and increase in contract liabilities.

PATH TO PROFITABILITY

As we began to promote our new-generation cloud-based services, we experienced a period of revenue and profitability volatility. We incurred losses during the Track Record Period, primarily attributable to (i) unrealized benefits of developing and engaging with top-tier customers; (ii) continued efforts and investments on enhancing product maturity; (iii) significant upfront investment in R&D initiatives; and (iv) significant cost of sales and operating expenses incurred during our promotion of cloud-based services. We believe we can achieve revenue growth in the future through (i) seizing market potential; (ii) continuous innovation to build AI-driven product capabilities; and (iii) expanding customer base and deepening relationships with existing customers. We expect to increase our gross profit margin profile by (i) transformation of the delivery methods; (ii) enhancing standardized product offering; and (iii) deepening ecosystem collaboration. We will also continue optimizing our R&D as well as sales and administrative functions to support our long-term business growth.

SUMMARY OF MATERIAL RISK FACTORS

Our business and operations face risks including those set out in the section headed "Risk Factors." Some of the major risks that we face include: (i) market competition; (ii) economic and industry fluctuations; (iii) the pace of enterprise digital and intelligent transformation; (iv) customer retention and growth; (v) product and service quality; (vi) AI-related business, compliance and reputational challenges; (vii) R&D investment; and (viii) our historical financial performance. For details, see "Risk Factors."

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since 2001, our Company has been listed on the Shanghai Stock Exchange. Our Directors confirmed that, as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, Shanghai Stock Exchange or other PRC securities regulatory authorities.

We are applying for the [**REDACTED**] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test. Our Company seeks to [**REDACTED**] on the Hong Kong Stock Exchange to further advance our global expansion strategy, establish an international equity financing platform, better attract overseas [**REDACTED**] and talents, optimize our shareholding structure and enhance our overall competitiveness. See "Business — Our Growth Strategies" and "Future Plans and [**REDACTED**]" in this document for more details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Beijing Yonyou Tech, a company directly owned as to 100% by Mr. Wang, held 921,161,630 Shares; (ii) Shanghai Yonyou Tech, a company directly and indirectly owned as to 85.15% by Mr. Wang, held 392,069,275 Shares, and (iii) Yonyou Institute, a company directly owned as to 79.64% by Mr. Wang, held 107,848,606 Shares. Therefore, as of the Latest Practicable Date, Mr. Wang, through Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute, is entitled to exercise the voting rights attached to approximately 41.86% of the voting rights of our Company (excluding the 21,855,792 A Shares held by our Company as treasury Shares). Immediately following completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no changes are made to the total issued share capital of our Company or the treasury Shares from the Latest Practicable Date to the [**REDACTED**], Mr. Wang, through Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute, will be entitled to exercise the voting rights attached to approximately [**REDACTED**]% of total issued share capital of our Company (excluding the 21,855,792 A Shares held by our Company as treasury Shares). Therefore, Mr. Wang, Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute are and will continue to be a group of Controlling Shareholders of our Company upon the [**REDACTED**].

DIVIDENDS

In 2023, 2024, 2025 and the three months ended March 31, 2026, we paid dividends of RMB251.5 million, RMB85.1 million, RMB52.1 million and nil, respectively. After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in

the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends.

According to applicable laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous years; allocations to the statutory reserve equivalent to 10% of our profit after tax; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders' meeting. If we record profits in a given year and the ending balance of our undistributed profits is positive and our cash flow can meet our normal operation and sustainable development, we should distribute dividends in cash, and the profits distributed in cash should be no less than 10% of the distributable profits realized in the year. At the same time, our cumulative profits distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits achieved in the past three years.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document. We currently intend to apply these [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the R&D of AI and other technologies, as well as product iteration; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], for our global capabilities and system development; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], for developing and upgrading collaboration platform for our ecosystem partners and an integrated intelligent customer operations platform; (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for potential strategic investments and acquisitions; and (v) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses consist of professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**] (based on the mid-point of the indicative [**REDACTED**] range and assuming the [**REDACTED**] is not exercised), which accounts for approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**]. We estimate the [**REDACTED**] expenses to consist of (i) approximately HK$[**REDACTED**] in [**REDACTED**] fees; and (ii) approximately HK$[**REDACTED**] in non-[**REDACTED**] fees, including (a) fees and expenses of legal advisers and accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] will be directly attributable to the [**REDACTED**] of our Shares, which will be deducted from equity upon the completion of the [**REDACTED**], and the remaining HK$[**REDACTED**] will be expensed in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We have maintained stable business operations and development since March 31, 2026, and our revenue, gross profit and gross profit margin improved in the six months ended June 30, 2026, as compared to the same period of 2025. Our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of the periods reported in Appendix I to this document; and there is no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document. The number of large and medium-sized enterprise customers for cloud-based services for the three months ended March 31, 2026 was 5,364 and 14,333, respectively, representing an increase from 4,994 and 11,639 for the three months ended March 31, 2025, respectively.

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain technical terms are explained in "Glossary of Technical Terms."

"2023 Employee Stock Ownership Plan"	the employee stock ownership plan adopted by our Company at the Shareholders' general meeting held on September 15, 2023
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted on June 24, 2025 which will become effective upon the [**REDACTED**] and as amended from time to time, a summary of which is set out in Appendix V to this document
"Audit Committee"	the audit committee of the Board
"Beijing Yonyou Tech"	Beijing Yonyou Technology Co., Ltd. (北京用友科技有限公司), a company established in the PRC in April 1999 with limited liabilities, and one of our Controlling Shareholders
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAGR"	compound annual growth rate

[**REDACTED**]

"Chanjet"	Chanjet Information Technology Company Limited (暢捷通信息技術股份有限公司), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 1588), and a subsidiary of our Company
"China" or "PRC"	the People's Republic of China
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), a joint stock company with limited liability established on January 18, 1995, the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 600588)
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	First Shanghai Capital Limited
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules, and unless the context requires otherwise, refers to Mr. Wang, Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute
"CSDC"	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Director(s)" or "our Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"EU"	European Union
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and Independent Third Party, which prepared the Frost & Sullivan Report
"Frost & Sullivan Report"	an independent market research report commissioned by us and prepared by Frost & Sullivan for the purpose of this document

[**REDACTED**]

"Group," "our Group," "our," "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"H Share(s)"	overseas [**REDACTED**] foreign share(s) in our ordinary share capital, with nominal value of RMB1.00 each in the share capital of our Company, which are to be [**REDACTED**] and [**REDACTED**] in HK dollars, and for which an application has been made for [**REDACTED**] and permission to [**REDACTED**] on the Stock Exchange

[**REDACTED**]

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars," "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"IFRS"	the International Financial Reporting Standards as issued by the IASB, which comprise the IFRS Accounting Standards, International Accounting Standards, Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee
"Independent Third Party(ies)"	person(s) or company(ies) who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, are not our connected persons

[**REDACTED**]

"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	July 8, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication

[**REDACTED**]

"Listing Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants as published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Listing Rules" or "Hong Kong 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 the GEM of the Stock Exchange
"Major Subsidiaries"	the major subsidiaries of our Company listed in "History, Development and Corporate Structure — Our Major Subsidiaries"
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Wang"	Mr. WANG Wenjing (王文京), our founder, chairperson of the Board, president, executive Director and one of our Controlling Shareholders
"NDRC"	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[**REDACTED**]

"Overseas Listing Trial Measures"	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Advisors"	Jingtian & Gongcheng, the legal advisors to our Company as to the laws of the PRC
	[**REDACTED**]
"document"	this document being issued in connection with the [**REDACTED**]
	[**REDACTED**]
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Securities Law" or "PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time

"Seentao Tech"	Seentao Technology Co., Ltd. (新道科技股份有限公司), a joint-stock company with limited liability established in the PRC in April 2011 the shares of which are listed on the National Equities Exchange and Quotations (stock code: 833694), and a subsidiary of our Company
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai
"Shanghai Yonyou Tech"	Shanghai Yonyou Technology Consulting Co., Ltd. (上海用友科技諮詢有限公司), a limited liability company established in the PRC in May 1994, and one of our Controlling Shareholders. As of the Latest Practicable Date, Shanghai Yonyou Tech was owned as to approximately 67.52% by Mr. Wang, 17.63% by Beijing Yonyou Tech, and 14.85% by three Independent Third Parties who are not acting in concert with Mr. Wang or Beijing Yonyou Tech in respect of their respective interest in Shanghai Yonyou Tech.
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy and Sustainable Development Committee"	the strategy and sustainable development committee of the Board
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"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
"Track Record Period"	the three years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026
"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States

"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
	[**REDACTED**]
"United States," "USA" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"VAT"	value added tax
	[**REDACTED**]
"Yonyou Auto"	Yonyou Auto Information Technology (Shanghai) Co., Ltd. (用友汽車信息科技(上海)股份有限公司), a joint-stock company with limited liability established in the PRC in March 2003 the shares of which are listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688479), and a subsidiary of our Company
"Yonyou Fintech"	Yonyou Financial Information Technology Co., Ltd. (用友金融信息技術股份有限公司), a joint-stock company with limited liability established in the PRC in August 2004 the shares of which are listed on the National Equities Exchange and Quotations (stock code: 839483) and a subsidiary of our Company
"Yonyou Institute"	Beijing Yonyou Enterprise Management Institute Co., Ltd. (北京用友企業管理研究所有限公司), a limited liability company established in the PRC in July 1998, and one of our Controlling Shareholders. As of the Latest Practicable Date, Yonyou Institute was owned as to approximately 79.64% by Mr. Wang, 12.01% by Mr. GUO Xinping, and 8.35% by Mr. WU Zhengping, being Directors of our Company who are not acting in concert with respect to their respective interests in Yonyou Institute or our Company
"%"	per cent

For the purpose of this document, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

In this document the terms "associate(s)," "close associate(s)," "connected person(s)," "core connected person(s)," "connected transaction(s)," and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

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

"AI"	artificial intelligence
"AI agent"	a system or program that is capable of perceiving its environment, making autonomous decisions, and performing tasks to achieve specific goals
"API"	application programming interface, a standardized set of protocols, definitions and tools that enables different software applications to communicate with each other
"API gateway"	a management service that handles the routing, monitoring, and security of API calls between different software systems
"ARR" or "annual recurring revenue"	the annualized revenue run-rate of effective subscriptions of our cloud-based services at a point in time. We calculate ARR by taking the monthly recurring revenue, as of the last day of a particular month and multiplying it by 12. Monthly recurring revenue is defined as the total contract value of effective subscriptions of our cloud-based services, divided by the number of months within the duration of such subscriptions. Effective date of such subscriptions is provided in the relevant subscription agreements
"big data"	large and diverse data sets used to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information assets under new processing model for greater decision-making power, insight and processing optimization capabilities
"Copilot"	AI-powered assistance embedded within enterprise software applications that supports users in executing tasks, making decisions, and interacting with data through natural language interfaces
"CRM"	customer relationship management
"digital and intelligent transformation"	the use of cloud computing, big data, AI and other digital technologies to enable enterprises to conduct data-driven and intelligent operations
"dollar retention rate"	the quotient from dividing the ARR from customers in a given period by the ARR from the same group of customers in the preceding period
"ERP"	enterprise resource planning

"information technology application innovation"	a trend among Chinese enterprises to build IT infrastructure using domestically developed software, hardware and technologies
"HR"	human resources
"industry vertical"	a distinct sector of the economy or market in which specialized products and services are tailored to the needs of enterprises operating within that sector
"ISV(s)"	independent software vendor(s)
"IT"	information technology
"iuap"	the integrated technology infrastructure of Yonyou BIP, comprising a cloud technology platform, an application platform, a development platform, an integration platform, a data platform, an intelligence platform, and YonGPT
"large enterprise(s)"	enterprise(s) with annual revenue in excess of RMB2 billion
"LLM"	large language model
"medium-sized companie(s)"	enterprise(s) with annual revenue between RMB50 million and RMB2 billion
"MES"	manufacturing execution system
"MSE(s)" or "micro and small enterprise(s)"	enterprise(s) with annual revenue of less than RMB50 million
"natural language processing"	the technology which enables machines to read, understand and derive meanings from human languages
"Open API"	a specification for a machine-readable interface definition language for describing, producing, consuming and visualizing web services
"optical character recognition"	the technology that enables the automatic detection and conversion of printed or handwritten text in images, scanned documents, or other visual inputs into machine-readable and editable digital text
"PLM"	product lifecycle management
"RAG" or "retrieval-augmented generation"	an AI framework that enhances large language models by retrieving relevant external information, such as documents, databases, or knowledge bases, before generating a response, thereby improving factual accuracy, contextual relevance, and up-to-date knowledge in the model's output
"service bus"	a middleware architecture that facilitates communication between different applications within a system by routing messages, transforming data formats, and enabling loosely coupled integration

"siloed application"	a software application that operates independently without effective integration with other systems, leading to fragmented data and disconnected business processes
"SOE(s)"	state-owned enterprise(s)
"SRM"	supplier relationship management
"WMS"	warehouse management system

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "might," "ought to," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- industry trends, competition and general economic, political and business conditions in the markets in which we operate;
- our proposed [**REDACTED**];
- changes in currency exchange rates;
- various uncertainties described in the "Risk Factors"; and
- other statements in this document that are not historical facts.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, the forward-looking statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realized. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section. In this document, statements of or references to our intentions or those of the Directors are made as of the date of this document. Any such information may change in light of future developments.

[**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before deciding to* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we do not compete effectively, our business, financial condition and results of operations could be materially and adversely affected.

The global enterprise software and service market is highly competitive. There are approximately over 20 thousand providers in the global enterprise software and service market, ranging from comprehensive technology providers to specific solution providers. Our primary competitors include key players who provide enterprise software and services both in China and around the world, as well as potential new market entrants seeking to penetrate the market. Certain customers may choose not to switch vendors or adopt the cloud-based services and software products offered by us.

Some competitors may have advantages over us in operational scale, brand recognition, operating history, financial and human resources, and technological capabilities. Incumbent vendors may strengthen their market position through acquisitions, strategic alliances or organic development, while cloud-based and on-premises software vendors may offer products and services that overlap with ours. We may also face competition from companies in adjacent markets, potential customers developing proprietary software internally, and competitors collaborating with third parties to enhance technologies or consolidate resources.

If our competitors' software products, services or technologies gain broader market acceptance, launch faster or offer better functionality than ours, our revenues, market share and growth prospects may be affected. Aggressive pricing by competitors could also allow them to expand customer bases and sales networks quickly, placing pressure on our pricing. If we cannot maintain competitive pricing amid heightened competition, we may experience lower sales volumes, compressed margins, operating losses or erosion of our competitive position, which could adversely affect our business, financial condition and results of operations.

Economic downturns or industry-wide fluctuations and depressions may decrease the demand for our product and service offerings.

Adverse macroeconomic conditions may reduce economic activity, credit availability and business confidence, affecting industries to which we sell our cloud-based services and software products. During periods of economic slowdown or uncertainty, customers may delay or reduce spending on enterprise software and services, resulting in lower sales, prolonged sales cycles, shorter subscriptions, lower average customer spending and increased price competition. MSE and medium-sized customers may be particularly susceptible due to their relatively limited financial resilience and risk management capabilities. If a substantial number of customers experience financial distress or fail to sustain operations, our business, financial condition and results of operations could be materially and adversely affected.

If the process of enterprise digital and intelligent transformation develops more slowly than we expect, our business and financial performance may be adversely affected.

Enterprises' digital and intelligent transformation in China remains at a relatively early stage, and market acceptance and adoption of such transformation and our products remain uncertain. Target customers may choose not to use our products due to cost concerns, limited awareness of product benefits, or changes in internet and internet infrastructure. We cannot assure you that adoption of our products will continue to grow. In line with our strategic focus, we are also investing in AI integration, but the uncertain pace and application of emerging technologies may increase research and development costs and execution risks. If our cloud-based services and software products fail to operate effectively with evolving technologies or meet customer expectations, our business, financial condition and results of operations could be materially and adversely affected.

We may fail to maintain and grow our customer base and keep our customers engaged.

To sustain our growth, we must continue to attract new customers, retain existing customers and increase their spending on our cloud-based services and software products. This requires us to understand customers' evolving needs, launch new products and services in a timely manner and continuously improve existing offerings. Our customers are not required to renew purchases or maintain commercial relationships with us on our desired terms. If we fail to identify customer needs or deliver products and services that add value, customers may choose not to renew or increase spending. Customer purchases may also decline or fluctuate due to dissatisfaction with our products, services or pricing, or their inability to sustain operations and spending levels, which could adversely affect our business, financial condition and results of operations.

Any error, defect or failure in our cloud-based services and software products may harm our reputation and expose us to customer complaints and litigation.

Our cloud-based services and software products address increasingly complex customer requirements and may contain technological errors, defects, disruptions or security vulnerabilities that are difficult to detect and rectify, particularly when first introduced, delivered or upgraded. During the Track Record Period and up to the Latest Practicable Date, we had not encountered material technological errors, defects, service disruptions or security vulnerabilities or borne associated costs. However, if we fail to remedy such issues in a timely

manner or deliver products and services on schedule, we may have difficulty fulfilling contractual obligations, leading to customer dissatisfaction, termination of business relationships or claims for damages. Contractual limitations of liability may not always be enforceable or sufficient to protect us from liabilities. Negative customer feedback or publicity, whether substantiated or not, could also damage our reputation and business prospects.

Our introduction and use of AI may not be successful and may present business, compliance and reputational challenges.

We have incorporated, and expect to continue to incorporate, AI and big data capabilities into our offerings, and their role in our business and operations may become more significant over time. However, we may not successfully develop or commercialize these innovations in a timely or effective manner. As an emerging technology, AI also presents risks relating to adoption, data practices, output accuracy, human rights, privacy, employment and other social matters. Inappropriate or controversial data practices, whether by us or others, or failure to timely detect or correct issues in our AI-powered products, could result in reputational harm, legal liability, additional costs or competitive harm.

The regulatory and legal framework for generative AI is evolving. Relevant PRC regulations impose requirements on deep synthesis and generative AI services, including restrictions on prohibited content and activities, algorithm governance, data security and personal information protection, and, where applicable, security assessment and filing obligations. We completed the filing procedures for our generative algorithm in February 2024. However, as these regulations are relatively new and their interpretation and implementation may change, we may be subject to additional security assessments, filings or compliance requirements. If we fail to comply with new requirements, complete necessary registrations or filings in a timely manner, or become involved in disputes relating to intellectual property or data security, our business, financial condition and results of operations could be materially and adversely affected.

We invest heavily in our R&D, and such investment may negatively impact our profitability in the short term and may not generate the results we expect to achieve.

We have allocated significant resources to the R&D of our cloud-based services and software products. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we recorded research and development costs of RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million, respectively, accounting for 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue in the same periods, respectively. We also capitalized certain development costs in relation to Yonyou BIP. As of December 31, 2023, 2024, 2025 and March 31, 2026, we capitalized research and development expenditure of approximately RMB1,610.3 million, RMB1,432.1 million, RMB1,202.3 million and RMB264.2 million, respectively. These investments may impact our profitability in the short term, and there is no guarantee that our R&D efforts will be fruitful. If we are unable to generate a sufficient return on our investment in R&D, our ability to attract investors and maintain our market position may be adversely affected.

We incurred losses during the Track Record Period, and we may not be able to increase profitability in the future.

We recorded loss for the year/period of RMB933.2 million, RMB2,069.8 million, RMB1,351.1 million, RMB756.3 million and RMB744.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We intend to continue investing in product expansion, sales and marketing capabilities, new industry verticals and geographical markets, and technology upgrades. These initiatives may require more resources than expected, and revenue growth may not be sufficient to offset increased operating expenses. It is also difficult to predict market size and growth, customer demand, renewal and retention rates, and our cost and expense structure. If we cannot generate sufficient revenue or effectively manage costs and expenses, we may not be able to improve profitability or liquidity.

We may fail to effectively maintain, promote and enhance our brand.

If we fail to maintain and provide high-quality products, or if market perception or negative publicity suggests that we do not do so, our reputation and ability to attract new customers may be harmed. Decisions relating to regulatory compliance, user privacy and other matters, as well as media, legislative or regulatory scrutiny of our business or our directors, employees, contractors or vendors, could also affect our brand image. As competition intensifies, brand recognition and differentiation will become increasingly important, and successful brand promotion will depend in part on the effectiveness of our marketing efforts. We intend to continue investing in brand awareness and customer engagement, but such spending may not lead to sufficient revenue growth to offset the related expenses. If we fail to maintain and enhance our reputation and brand recognition, our business, financial condition and results of operations could be adversely affected.

We may be exposed to the risks of conducting business globally.

Overseas expansion is an important part of our growth strategy. Our overseas revenue was RMB204.4 million, RMB218.2 million, RMB303.9 million, RMB34.9 million and RMB76.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 2.2%, 2.5%, 3.4%, 2.7% and 5.5% of total revenue. We have explored, and plan to continue exploring, overseas market opportunities, and intend to work with reputable sales and professional service partners to expand the global reach of our products and services. However, overseas expansion exposes us to additional risks, including adverse tax treatment, changes in political, cultural or economic conditions, differing licensing and regulatory requirements, uncertain credit policies, difficulties in contract enforcement, reduced intellectual property protection, tariffs and trade barriers, foreign exchange fluctuations, compliance with overseas tax, data privacy, employment, immigration and labor laws, and business interruptions caused by trade tensions, geopolitical conflicts, war or terrorism. Any of these risks could materially and adversely affect our business, financial condition and results of operations.

Breaches to our security measures may adversely affect and reduce the use of our cloud-based services and software products.

Breaches of our security measures, including computer viruses and cyberattacks, may damage our cloud-based services and software products, disrupt business activities, cause unauthorized access to or disclosure of confidential or sensitive information, and interrupt access to our offerings. During the Track Record Period and up to the Latest Practicable Date, we had not encountered material incidents of unauthorized access to customer data, computer viruses or cyberattacks. However, our security measures may be breached or compromised due to product or service defects, third-party actions, employee error, malfeasance or other causes. Any such breach may cause customers to perceive our products and services as insecure, reduce or discontinue their use, and expose us to significant legal and financial liabilities and remediation costs. If such incidents occur or are highly publicized, our reputation and brand may be damaged, which could materially and adversely affect our business, financial condition and results of operations.

We may fail to keep pace with technological developments and evolving customer and regulatory requirements.

Our ability to retain existing customers and attract new ones depends on our ability to deliver timely enhancements, new features and innovative applications that improve product functionality and align with industry trends. Our products also cover functions such as finance, tax, funding and human resources, requiring continuous updates to adapt to evolving laws and regulations. If we fail to anticipate or respond to technological changes, market shifts, customer preferences or regulatory developments, demand for our products may decline, customer satisfaction may decrease, pricing and competitive pressures may increase, and certain offerings may become obsolete. The success of enhancements and new features also depends on factors beyond our control, including timely development, introduction and market acceptance. If we cannot provide enhancements and new features that achieve market acceptance, keep pace with technological developments or adapt to regulatory changes, our business, financial condition and results of operations could be materially and adversely affected.

We rely on third-party cloud infrastructure, and any disruption, capacity limitation or interference with our use may adversely affect our business.

We offer flexible deployment across public and private cloud environments and rely on various third-party cloud infrastructure providers. During the Track Record Period and up to the Latest Practicable Date, we had not encountered material disruptions arising from these providers, capacity limitations or interference with our use. However, we do not control, or have limited control over, their facilities, technologies or pricing. Any capacity limitation, performance degradation or infrastructure failure could impede our ability to onboard new customers, expand usage by existing customers or serve customers. Cloud infrastructure may also be affected by cyberattacks, natural disasters, power outages, telecommunications failures, contagious disease outbreaks, terrorist attacks or other events beyond our control. If relevant

service agreements are terminated, services are interrupted or facilities are damaged, we may incur significant costs, delays or platform access interruptions in switching providers or re-architecting our platform, which could materially and adversely affect our business, financial condition and results of operations.

Our historical financial performance may not be indicative of future results, and failure to manage our growth or execute our strategies may adversely affect our business and prospects.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue was RMB9,442.5 million, RMB8,817.4 million, RMB8,862.3 million, RMB1,307.2 million and RMB1,382.6 million, respectively; gross profit was RMB4,651.4 million, RMB4,057.2 million, RMB4,273.0 million, RMB476.7 million and RMB583.8 million, respectively; and losses were RMB933.2 million, RMB2,069.8 million, RMB1,351.1 million, RMB756.3 million and RMB744.4 million, respectively. We cannot assure you that we will improve our financial performance or return to profitability, as our results may fluctuate due to uncertainties in product launches and iterations, intensified competition and other factors beyond our control. [**REDACTED**] should not rely on our historical results as an indication of future performance.

Our revenue is generated from subscription fees, license fees, implementation, product support and maintenance services. As our revenue composition evolves, changes in sales, market acceptance, pricing policies or renewal rates may affect our results and margins and may not be fully reflected until future periods. We may also be unable to adjust our cost structure in line with revenue changes. In addition, investments in new products, services and technologies may place pressure on our managerial, operational, financial and human resources. If our personnel, systems, procedures and controls are not adequate to support future operations, we may fail to manage growth or execute our strategies effectively, which could materially and adversely affect our business, financial condition and results of operations.

We may fail to effectively develop our sales and marketing capabilities.

Our ability to grow our customer base and achieve broader market acceptance depends largely on the effectiveness and scalability of our sales and marketing efforts. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our sales and marketing expenses were RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million, respectively, representing 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of total revenue. We cannot assure you that these investments will sufficiently expand our customer base or improve customer stickiness. We have also invested, and plan to continue investing, significant resources in expanding our sales network, including sales partners. If our sales and marketing initiatives do not achieve the desired results, or if we fail to effectively expand or manage sales partners, our business, financial condition and results of operations may be adversely affected.

We are subject to risks arising from collaboration with sales partners and professional service partners.

We rely on sales partners and professional service partners to promote and implement our cloud-based services and software products. If they fail to perform in accordance with our standards, the quality of our products and services may be affected. During the Track Record Period and up to the Latest Practicable Date, we had not encountered material misconduct by such partners. However, they may engage in misconduct, including unauthorized misrepresentations, misappropriation of third-party intellectual property or proprietary rights, misuse of sensitive personal information, bribery or other unlawful payments. Such conduct may result in complaints, reputational damage, customer loss, liabilities or costly litigation, regardless of whether the claims are founded. In addition, if we cannot promptly collect transaction data between sales partners and end users, we may lack insights into business performance and be less able to make informed business decisions, which could adversely affect our business, financial condition and results of operations.

We may be involved in disputes arising from our operations.

We may face disputes with customers, suppliers, business partners, employees or other third parties. These disputes may arise from issues related to our products and services, intellectual property rights, contracts, labor relations, or other matters, and may lead to legal proceedings, administrative investigations or arbitration. For instance, during the Track Record Period, we assisted customers in settling cooperation fees with their business partners. At their request, we withheld individual income taxes on the relevant fees received by these partners. Local tax authorities later informed us of under-withheld taxes, prompting us to make the necessary supplementary payments on behalf of the business partners. As of the Latest Practicable Date, no administrative penalties had been imposed. If local tax authorities identify further tax under-withholding, we will promptly make the required payments and/or recover them from the business partners. Based on the above, our PRC Legal Advisors are of the opinion that the likelihood that we may be subject to material administrative penalty in this regard is relatively low. We may not be able to successfully defend against such legal or administrative claims at all times, and such disputes or legal and administrative procedures against us may be time-consuming, costly, and may harm our reputation. Such disputes or legal proceedings may distract management, disrupt our operations, and result in negative publicity, which may adversely affect our business and financial performance. Moreover, customer complaints or negative reviews may harm our reputation and lead to reduced demand for our product offerings. If we are unable to effectively manage these risks, our business and financial performance may be materially and adversely affected.

We have limited insurance coverage, and uninsured claims may result in substantial costs and resource diversion.

We maintain insurance policies that we believe are customary in our industry and required under applicable laws and regulations. However, these policies may not adequately cover all risks relating to our business operations. Consistent with customary PRC practice, we maintain

insurance for fixed assets and inventory, but do not carry business interruption, product liability or litigation insurance. If we incur substantial losses or liabilities not covered by insurance, we may suffer significant costs and resource diversion, which could materially and adversely affect our financial condition and results of operations.

We depend on senior management and highly skilled employees, and loss of key personnel may adversely affect our business.

We do not have employment or other written agreements requiring our executive officers or other key personnel to remain with us for any specified period, and they may terminate employment with us at any time, subject to applicable PRC laws and regulations. We cannot assure you that our senior management composition or responsibilities will remain unchanged. To execute our growth plan, we must also attract, retain and motivate qualified personnel with diverse expertise, but competition for such talent is intense. We have experienced, and expect to continue experiencing, difficulties in hiring and retaining qualified employees, including in desired geographic areas, and immigration, travel or visa restrictions may limit international recruitment. If we fail to attract new personnel or retain existing employees through competitive compensation, company culture and career development opportunities, our business, financial condition and results of operations could be materially and adversely affected.

We may fail to implement our growth strategies or manage our growth effectively.

We intend to empower customer success, advance ecosystem collaboration, expand globally, accelerate AI adoption, enrich our product functions and portfolio, and drive delivery innovation. However, implementing these plans requires appropriate capital allocation, adequate human resources and effective operational management. Continued expansion may increase business complexity, and we may fail to realize our plans on the expected timetable due to operational challenges or risks beyond our control. If we fail to implement our growth strategies or manage growth effectively, our ability to capture new opportunities and maintain our competitive edge may be hindered, which could materially and adversely affect our business, financial condition and results of operations.

We may not be able to obtain, maintain or renew all the permits, licenses, certificates and other regulatory filings required for our business in the future.

If we fail to obtain, maintain or renew the permits, licenses and certificates required for our business, our operations may be disrupted. The licenses and permits we currently hold may also become insufficient due to new laws, regulations or regulatory changes, which may limit business expansion or subject us to fines, penalties or other regulatory actions. These approvals are subject to periodic review and renewal, and evolving compliance standards may increase related complexity and costs. As our business develops, we may need additional approvals, permits or licenses, and failure to obtain them in a timely manner may delay or restrict our expansion plans, which could materially and adversely affect our business, financial condition and results of operations.

Failure to comply with the PRC regulations regarding contribution of social insurance premium and housing provident fund may subject us to fines and other legal or administrative penalties.

According to the Social Insurance Law, the Regulations on the Administration of Housing Provident Funds and other applicable PRC regulations, any employer operating in China must contribute social insurance premium and housing provident funds for its employees. During the Track Record Period, social insurance and housing provident fund contributions for some of our employees had not been made in full in accordance with the relevant PRC laws and regulations. Pursuant to relevant PRC laws and regulations, any failure to make timely and adequate contribution may trigger an order of correction from a competent authority requiring the employer to make up the full contribution of such overdue social insurance premium or housing provident funds within a specified period of time, or to pay a late fee in relation to the social insurance, and the competent authority may further impose fines in relation to the social insurance. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident fund contributions. As advised by our PRC Legal Advisors, the risk that we would be subject to material administrative penalties by relevant regulatory authorities due to our failure to provide full social insurance and housing provident fund contributions is remote. However, we cannot assure you that the competent authority will not require us to make contribution of overdue social insurance premium or housing provident funds, or to pay any late fee or penalty in relation to the social insurance. This in turn may adversely affect our financial condition and results of operations.

In addition, according to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases, where the employer and the employee agree, or where the employee promises the employer, that there is no need to make social insurance contributions, the court shall determine that such agreement or promise is invalid. Our PRC Legal Advisors are of the view that such interpretation does not repeal or revise the social insurance laws and regulations currently in force in the PRC, and would not cause us to undertake additional social insurance exposure. However, as PRC labor laws and regulatory guidance continue to evolve, we cannot assure how future developments may affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees.

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance premium and housing provident funds for certain of our employees. We have such arrangements primarily because these employees worked outside of the cities where our operating entities are registered, and third-party human resources agencies were engaged to pay social insurance premium and housing provident funds for these employees to accommodate their preferences for participating in social insurance and housing provident fund schemes in cities where they worked. Pursuant to the agreements entered into between our Company or our relevant PRC subsidiaries and such third-party human resources agencies, such human resources agencies have the obligation to pay social insurance premium and housing provident funds for our relevant employees. As of the Latest Practicable Date, none of the third-party

human resources agencies that we cooperate with had failed to pay or delayed in paying any social insurance premium and housing provident fund contributions for our employees, and none of us or our PRC subsidiaries had been subject to any administrative penalty in relation to such agency arrangements. However, if such human resources agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required by applicable PRC laws and regulations in the future, and if the relevant competent government authority takes the view that this third-party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, we may be subject to additional contributions, late payment fees and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance or housing provident funds as an employer or be ordered to rectify. This in turn may adversely affect our financial condition and results of operations.

Our rights to use our major leased properties could be challenged by third parties, or we may be forced to relocate due to title defects, or we may be liable for failure to register our lease agreements, which may result in a disruption of our operations and subject us to penalties.

As of the Latest Practicable Date, three of the properties leased by our Company and our Major Subsidiaries from third parties with a GFA of over 500 square meters had title defects, because the relevant lessors had not provided us with valid title certificates or relevant authorization documents evidencing the right to lease the property to us. As a result, the lease may not be valid, and we may not be able to continue to use such property if the lessor's right to lease such property is challenged by any third party or government authorities. Further, we cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party or government authorities, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises. Such relocation may result in additional expenses, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

As of the Latest Practicable Date, we had not completed the administrative filings of certain lease agreements. The government authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. It is not clear under PRC laws if the fine will be borne by the lessor or the lessee. According to applicable PRC laws and regulations, lessors of the related lease agreements need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings for all non-registered leases within the period specified by the relevant government authorities, and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to a fine.

Our intellectual property rights are critical to our success, and infringement or failure to protect them may adversely affect our business.

We protect our intellectual property rights through copyright, trademark and other intellectual property laws, as well as confidentiality and licensing arrangements with employees, suppliers and customers for unpatented proprietary information and technologies, including trade secrets and confidential information. As of March 31, 2026, we owned over 4,400 software copyrights, patents and registered trademarks. Failure to register, maintain or enforce material intellectual property rights may affect our business operations. In addition, protecting trademarks, copyrights, domain names, patents and other intellectual property rights is costly and difficult. In 2023, 2024, 2025 and the three months ended March 31, 2026, our costs for the application, maintenance and protection of intellectual property rights were RMB7.1 million, RMB5.4 million, RMB5.0 million and RMB0.7 million, respectively. We cannot assure you that our protection efforts will be sufficient or effective, and our intellectual property rights may be infringed, misappropriated, challenged, narrowed in scope or declared invalid or unenforceable, which could materially and adversely affect our business, financial condition and results of operations.

We may be subject to IP infringement claims by third parties.

Third parties may claim that our business infringes or violates their patents, copyrights or other intellectual property rights, or that we have engaged in unfair trade practices, whether or not such claims are valid. Any claims or litigation could be costly, time-consuming and distracting to management and key personnel. If successfully asserted, such claims may require us to pay damages, royalties, indemnification or settlement costs, obtain licenses, modify applications, refund fees, stop offering certain cloud-based services or software products, or accept other unfavorable terms, which could materially and adversely affect our business, financial condition and results of operations.

Our business is subject to seasonal fluctuations.

We have experienced, and expect to continue to experience, seasonal fluctuations in our business, financial position and results of operations. We tend to generate higher revenues and collect more receivables near the end of first half year and year end, as we typically complete service delivery at year end, and demand for our products typically increases during the second and fourth calendar quarters when customers review their financial performance against semi-annual or annual budgets. For these reasons, comparing our operating results for different periods or financial position as of different periods may not be meaningful, and you should not rely on our past results as an indication of our future performance.

Unsatisfactory performance by or unavailability of outsourced service providers may adversely affect our financial performance and reputation.

During the Track Record Period, we outsourced certain operations and product delivery work to third-party service providers. In 2023, 2024, 2025 and the three months ended March 31, 2026, our professional service costs, representing service fees paid to such providers, were RMB1,464.6 million, RMB1,355.1 million, RMB1,607.9 million and RMB221.3 million,

respectively. Outsourcing exposes us to risks, including delayed or substandard performance, shortages of qualified service providers, and reduced oversight compared with our own employees. If outsourced service providers fail to meet expected standards, we may incur additional costs and time to supervise or rectify their work, face customer claims, or be held liable for their misconduct, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks in relation to negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners.

We, our Shareholders, Directors, officers, employees and business partners may be subject to negative media coverage or publicity. Such negative coverage in the media and publicity could threaten the perception of our reputation as a reliable and trustworthy enterprise software and intelligent services provider. In addition, to the extent our employees and business partners were incompliant with any laws or regulations, we may also suffer associated negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity, and may be unable to take remedial measures to the satisfaction of our investors and customers.

We may be the subject of unfair competition, harassment, or other detrimental conduct by third parties.

We may be the subject of unfair competition, harassment, or other detrimental conduct by third parties. Such conduct includes hostile complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, whether substantiated or not, may be disseminated by anyone. The occurrence of any of these events may harm our reputation, and in turn may cause us to lose customers and revenue.

Future strategic alliances, acquisitions or investments may have a material adverse effect on our business, financial condition and results of operations.

We may from time to time enter into strategic alliances or investments, including joint ventures and minority equity investments. As of December 31, 2023, 2024, 2025 and March 31, 2026, our equity investments at fair value through other comprehensive income were RMB30.0 million, RMB29.3 million, RMB36.1 million and RMB36.1 million, respectively, and our financial assets at FVTPL were RMB1,255.4 million, RMB1,005.2 million, RMB805.8 million and RMB1,824.4 million, respectively. These alliances and investments may expose us to risks, including sharing proprietary information, third-party non-performance, increased costs and limited ability to monitor or control third-party actions. Negative publicity or reputational harm involving strategic partners may also affect us by association.

We may also acquire businesses, platforms, assets or technologies to expand our product offerings, customer coverage, and technology and service capabilities. Future acquisitions and integration may require significant management attention, divert resources from existing operations, fail to generate expected financial results, or involve substantial cash use, dilutive equity issuances, goodwill impairment, amortization expenses, unknown liabilities or successor liability. Due diligence may not identify all liabilities, and contractual guarantees or indemnities from sellers may not fully protect or compensate us. Identifying and completing investments may also involve significant costs, shareholder approval, government approvals or licenses, and compliance with applicable PRC laws and regulations, causing delays and additional costs. If acquired businesses or their management teams fail to perform as expected, our business, financial condition and results of operations could be materially and adversely affected.

We incurred net current liabilities and net operating cash outflows during the Track Record Period.

We recorded net current liabilities of RMB4,061.0 million as of March 31, 2026, mainly attributable to interest-bearing bank loans. We also recorded net operating cash outflows of RMB90.5 million and RMB273.6 million in 2023 and 2024, respectively, before turning to net operating cash inflow of RMB812.4 million. We recorded net operating cash outflows of RMB1,022.5 million and RMB1,005.1 million in the three months ended March 31, 2025 and 2026, respectively. During the Track Record Period, we made substantial initial investments in customer acquisition and technology development to drive market acceptance of our cloud-based services and software products, resulting in significant operating expenses. We cannot assure you that business activities or factors beyond our control, including market competition and macroeconomic changes, will not adversely affect our working capital or lead to net current liabilities or net operating cash outflows in the future.

We have funded our operations primarily through cash generated from operations, bank borrowings and equity financing. We may require additional capital to respond to market opportunities, challenges or unforeseen circumstances, and may not be able to secure debt or equity financing on favorable terms, or at all. Debt financing may involve restrictive covenants that limit our capital raising, operations or ability to pursue business opportunities, including acquisitions. Equity or convertible securities financing may dilute existing Shareholders and involve rights senior to those of existing Shareholders. If we cannot obtain adequate financing when needed, our ability to grow, support our business or respond to market changes may be limited, which could materially and adversely affect our business, financial condition and results of operations.

We are exposed to credit risk in relation to our customers, and the recoverability of our contract assets and trade and bills receivables is subject to uncertainties.

We are subject to the credit risk in relation to our customers. If any of our customers runs into financial difficulties or we have disputes with our customers, we may not be able to receive payments in a timely manner or at all. Our trade and bills receivables were RMB2,661.4 million, RMB2,586.0 million, RMB2,420.2 million and RMB2,358.2 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. In addition, we record contract assets, which represent our rights to receive consideration for obligations partially

performed and not yet billed in relation to our software implementation and development services. Contract assets are transferred to trade and bills receivables when the rights to receive consideration become unconditional. Our contract assets were RMB881.5 million, RMB864.9 million, RMB959.7 million and RMB1,025.9 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. We recorded allowance for credit losses of RMB148.7 million, RMB202.4 million, RMB309.3 million and RMB322.1 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. We cannot assure you that we will be able to recover all or any part of the amounts due from our customers within the agreed credit terms or at all. If we fail to collect such payments at the end of the agreed credit terms, it may take longer than our average trade receivable turnover days for us to collect payments and our provisions for payments in arrears and losses may increase. Any material delay in payment or non-payment by our customers may materially and adversely affect our business, results of operations, and financial condition.

We may be exposed to liquidity risk due to a prolonged cash conversion cycle.

We had recorded relatively long inventory turnover days and trade and bills receivables turnover days, which may lead to delays in converting our business growth into cash. Our cash conversion cycle, calculated by adding inventory turnover days and trade and bills receivables turnover days and subtracting trade payables turnover days, was 66.2 days, 64.6 days, 41.0 days and 59.8 days for the years ended December 31, 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. The decrease in cash conversion cycle from 2023 to 2025 was primarily attributable to our strengthened management of trade receivables collection, together with more favorable payment terms negotiated with our suppliers as a result of our enhanced bargaining power. Our cash conversion cycle then increased to 59.8 days for the three months ended March 31, 2026, primarily due to the seasonal nature of our business, as acceptance and payment collection from large enterprise customers are typically concentrated in the second half of the year. Our efforts to improve the collection of trade and bills receivables and the turnover days may not be successful and if our inventory turnover days and our trade and bills receivables turnover days continue to increase or remain relatively high, it may lead to a longer cash conversion cycle, which may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

We may fail to fulfill our obligations in respect of contract liabilities.

As of December 31, 2023, 2024, 2025 and March 31, 2026, our contract liabilities, primarily comprising advances received from customers to deliver our cloud-based services, were RMB2,806.4 million, RMB3,053.5 million, RMB3,417.7 million and RMB3,401.2 million, respectively. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Contract Liabilities." If we fail to fulfill our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, which may adversely affect our cash flow and liquidity condition.

Any discontinuation, reduction or delay of the government grants, tax refund, or preferential tax treatments may have a material and adverse impact on our business.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we recorded government grants and other tax refunds of RMB124.4 million, RMB47.0 million, RMB72.7 million, RMB8.1 million and RMB13.3 million, respectively. Government grants provided to us are mainly to support technological R&D and industrial advancement, which are generally non-recurring in nature. In addition, our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, our Company and certain of our subsidiaries in Chinese Mainland were qualified as high-tech enterprises, and they were entitled to a preferential income tax rate of 15% during the Track Record Period. We cannot assure you that we will continue to receive such government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatment, in which case our business, financial condition and results of operation may be materially and adversely affected.

Fluctuations in the changes of financial assets at fair value through profit or loss and valuation uncertainties due to the use of unobservable inputs may adversely affect our financial results.

For investments underlying our financial assets at fair value through profit or loss with no quoted market prices in an active market, their fair values are estimated by using valuation techniques. Some valuation inputs require management estimates and assumptions, which are adjusted if necessary. Should any of the estimates and assumptions be changed, it might lead to a change in the fair value of the financial assets. While we recorded a net fair value gain on financial assets at fair value through profit or loss of RMB145.9 million and RMB3.5 million in 2025 and the three months ended March 31, 2026, respectively, our net fair value losses on financial assets at fair value through profit or loss were RMB4.5 million and RMB73.2 million in 2023 and 2024, respectively. The fair value of our financial assets at fair value through profit or loss are subject to other factors beyond our control. We cannot assure you that market conditions and regulatory environment will result in fair value gains and we will not incur any fair value losses on our investments underlying financial assets at fair value through profit or loss in the future.

Share-based compensation may have a material adverse effect on our financial performance and cause shareholding dilution to our existing Shareholders.

We adopted share incentive plans for the benefit of our senior management and core employees, among others, as remuneration for their services provided to us to incentivize and reward the eligible persons who have contributed to the success of our Company. In 2023, 2024, 2025 and the three months ended March 31, 2026, we recorded share-based compensation of RMB42.2 million, RMB79.0 million, RMB34.2 million and RMB4.9 million, respectively. To incentivize our senior management and core employees, among others, we may grant additional share-based compensation in the future. Issuance of additional Shares with respect to such share-based compensation may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based compensation may also increase our operating expenses and therefore have an adverse effect on our financial performance.

We may face risk regarding the ability to utilize our deferred tax assets.

As of December 31, 2023, 2024, 2025 and March 31, 2026, our deferred tax assets were RMB68.3 million, RMB86.9 million, RMB88.1 million and RMB93.8 million, respectively. Deferred tax assets relating to certain temporary differences and tax losses are recognized when we consider it is probable that the future taxable profit will be available against which the temporary differences or tax losses can be utilized. However, the outcome of their actual utilization may be different. While the deferred tax assets may enable us to reduce future tax payments, our deferred tax assets may also represent a risk to us as our ability to utilize such deferred tax assets depends on our ability to generate future taxable profit. We cannot assure you that our deferred tax assets can be recovered in the future. In the case that the value of our deferred tax assets is changed, we may have to record write-downs of the deferred tax assets, which may materially and adversely affect our financial condition and results of operations.

We may incur impairment losses with respect to our goodwill and other intangible assets in the future.

Our goodwill, representing the premium over the fair value of identifiable net assets acquired through company acquisitions, amounted to RMB1,674.7 million, RMB1,518.8 million, RMB1,495.9 million and RMB1,495.9 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. Our other intangible assets, primarily comprising software copyrights and deferred development costs in relation to the capitalization of qualified development expenditures, amounted to RMB3,617.9 million, RMB4,064.3 million, RMB4,039.7 million and RMB3,958.6 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. In 2024 and 2025, we recorded impairment of RMB155.8 million and RMB22.9 million of goodwill, respectively, which had been recorded in our consolidated statements of profit or loss. We cannot assure you that we will not continue to recognize such impairment losses in the future. Impairment losses could arise from various factors such as a decrease in the future utility of our software copyrights due to industry advancements that render them obsolete or less useful. Moreover, an economic downturn affecting our sectors could necessitate a re-evaluation of the carrying value of both our goodwill and other intangible assets. Should any such impairments be recognized, our business, financial condition and results of operations could be materially and adversely affected.

We have investments in associates and a joint venture, and our financial condition and results of operations may be affected by the fluctuation of share of results of such investments.

We recorded investments in associates of RMB2,823.0 million, RMB2,810.4 million, RMB2,727.2 million and RMB2,712.8 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively, and investment in a joint venture of RMB9.9 million, RMB8.3 million, nil and nil as of the same dates, respectively. These investments primarily represented equity interests in entities under joint control or significant influence, but may not generate profits. We recorded share of profits of associates of RMB56.9 million, RMB39.1 million, RMB58.4 million, RMB5.8 million and share of losses of associates of RMB14.5 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, and share of losses of a joint venture of RMB122 thousand, RMB872 thousand, nil, nil and nil in the same periods, respectively.

Our investments in associates and a joint venture may not achieve the intended results and are subject to liquidity risks, as cash returns depend on dividends and we may not be able to promptly sell our interests on acceptable terms in response to changing economic, financial or investment conditions. We may also make future investments in associates or joint ventures, which may involve risks such as increased cash requirements, additional indebtedness and contingent or unforeseen liabilities. If these investments do not perform as expected or cannot be disposed of on acceptable terms, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Our business may be adversely affected by the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought; the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, Ebola, Zika, COVID-19; and operational disruptions, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, as well as potential wars or terrorist attacks. Such events may also significantly affect our industry and may even cause a temporary closure of the facilities we or our business partners use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

We may incur additional costs to address any ESG risks.

We may incur additional costs to identify, manage and mitigate ESG risks. Given the nature of our business, we do not generate material emissions or waste or involve heavy pollution. However, we monitor indicators such as power consumption, greenhouse gas emissions and water consumption to manage environmental and climate-related risks, and are committed to supporting a safe, comfortable and inclusive workplace. These efforts may increase costs and affect profitability. In addition, increasing ESG-related regulatory requirements, including disclosure mandates in jurisdictions where we operate, may raise compliance costs and cost of sales. Failure to adapt to new regulations or meet evolving industry expectations may cause customers to choose competitors' products and services, which could materially and adversely affect our business, financial condition and results of operations.

Certain equity interests of our Controlling Shareholders are charged as security interests.

As of the Latest Practicable Date, our Controlling Shareholders had collectively pledged 548,870,000 A Shares, representing approximately 16.06% of the total issued share capital of our Company, as security for financing obtained from certain PRC financial institutions. See "Substantial Shareholders." Under applicable PRC regulations, including the Overseas Listing Trial Measures issued by the CSRC, an issuer may be restricted from conducting an overseas offering if its controlling shareholder or shareholders under its control hold shares of the issuer that are subject to significant ownership disputes. If an event of default occurs, include, among

others, non-repayment, misrepresentation and breach of certain covenants under the relevant financing arrangements, the lenders may be able to enforce their rights against our Controlling Shareholders, including enforcing their rights against all of the pledged shares in our Company through legal proceedings. In such event, our Controlling Shareholders may no longer be able to maintain the current level of interest in our Company, which may adversely affect our Company.

RISKS RELATING TO GOVERNMENT REGULATIONS

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

The legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. In the geographic markets where we operate, many laws and regulations may come into effect successively or be considered applicable to us, which may affect our business operations. Scrutiny and regulations of the industry in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations.

Developments in social and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

As we conduct our business operations primarily in China, as well as certain overseas markets, our business, financial condition, results of operations and prospects could be affected by local economic, social, and legal policies. In addition, with the social development, the relevant laws, rules and regulations may be amended from time to time, and their interpretation and implementation will be determined accordingly. Any of the foregoing, including non-compliance with any existing or new laws, rules and regulations, would materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to various laws and regulations, and failure to comply with these laws and regulations could materially and adversely affect our business, financial condition and results of operations.

Our operations are governed by relevant laws and regulations in China and other jurisdictions where we operate, and we are required to comply with all relevant requirements and standards, which may entail significant costs and considerable effort. In addition, the introduction of new laws and regulations or changes to these laws and regulations can impose additional compliance costs, reduce our revenue and require us to change our operations to ensure compliance or otherwise affect our business. We are also subject to governmental oversight and regulation by relevant PRC and overseas governmental authorities, which promulgate and enforce regulations that may affect our operations, including the scope of permissible business activities, licenses and permits for various business activities and overseas investments. As our A Shares are listed on the Shanghai Stock Exchange, we are

additionally required to comply with its listing rules, which further govern our business practices. If we fail to comply with the listing rules of the stock exchanges where our Shares are listed, we may be unable to meet the conditions for securities issuance and our ability to secure market financing could be hindered. Such disruptions could materially and adversely affect our business, financial condition and operational results.

Our business is subject to a variety of laws, rules, policies and other obligations regarding privacy and data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves data processing activities, including data collection and storage. Theft, loss or misuse of data collected, used, stored or transferred in our business may increase business and security costs, expose us to legal claims, data breach notification obligations, fines, penalties and damages, and harm our reputation. We are subject to laws governing the collection, use, retention, protection and transfer of personal information in China and overseas, which may also restrict transfers between us and our overseas subsidiaries. Compliance with evolving overseas requirements may increase costs or require changes to our business practices. We have adopted data security measures, including encryption during data transmission and storage, data classification and risk-based management, strict access controls and usage policies, and a dedicated information security management department. However, these measures may be compromised by system failures, interruptions, inadequacies, security breaches or cyberattacks. If we fail to address actual or alleged privacy or data protection issues, our reputation may be damaged, customers may be deterred from using our products, and we may face proceedings by governmental authorities or others, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to regulatory requirements over foreign currency conversion and remittance.

We receive a majority of payments from our operations in Chinese Mainland in Renminbi and may need to convert Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of Chinese Mainland. The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of Chinese Mainland are subject to certain regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations. Prior registration and other procedures with competent government authorities are required where Renminbi is to be converted into foreign currency and remitted out of Chinese Mainland to pay capital expenses. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Any existing and future requirements on currency exchange may limit our ability to fund any future business activities that are conducted in foreign currencies.

Our global operations are subject to risks arising from international trade and investment policies, export control restrictions and sanction laws and regulations.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from overseas markets was RMB204.4 million, RMB218.2 million, RMB303.9 million, RMB34.9 million and RMB76.0 million, respectively, representing 2.2%, 2.5%, 3.4%, 2.7% and 5.5% of our total revenue in the same periods, respectively. Adverse developments in geopolitics, including tariffs, investment laws, international trade policies, import and export restrictions and sanctions may negatively affect our operations.

International trade and tariffs

International market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. Changes in trade policies, treaties and tariffs, or the perception that these changes may occur, could adversely affect our business, financial condition and results of operation. For instance, political developments have at times heightened tensions between countries, such that different countries have to formulate measures in response to new trade policies, treaties and tariffs. These measures may further escalate the tension between the countries or even lead to a trade war, which could negatively impact the global economy as a whole. Moreover, the escalation of political, economic and trade tensions between countries may trigger negative public sentiment. As we conduct our business operations primarily in China as well as certain overseas markets, international market conditions and international regulatory environment could have a material impact on our business, financial condition and results of operation.

Export control restrictions

In recent years, the U.S. government imposed targeted export control and trade restrictions on China and a number of Chinese companies and institutions, including by adding them onto the Entity List maintained by the U.S. Department of Commerce Bureau of Industry and Security (the "**Entity List**"), which limit their access to certain U.S.-origin goods, software and technologies, as well as items that contain a significant portion of or are a direct product of certain U.S.-origin goods, software and technologies. Our enterprise software and intelligent services offerings are not subject to U.S. export control restrictions; however, U.S. export controls and trade laws, policies and regulations are complex and subject to frequent changes, which could have an impact on our business operations. In addition, the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be driven by geo-political, geo-economic and/or other factors that are not within our control or that might be heightened by international and national security concerns. Any potential restrictions, associated inquiries or investigations, or other government actions may be difficult or costly to comply with and may, among other things, delay or impede the development of our technology and products and hinder the stability of our supply chain. These changes could also result in negative publicity, require significant time and attention of the management, subject us to fines, penalties or orders, and mandate us to cease or modify our existing business practices. Any of these events may have a material and adverse effect on our business, financial conditions and results of operations. After consulting with our legal advisors, we are of the view that we are not subject to the U.S. export control restrictions, and that we had complied with the U.S. export control laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

International sanctions

Through executive orders, passing of legislation or other governmental means, the certain authorities of the United Nations, the United States, the European Union, the United Kingdom, and Australia, have implemented measures that impose economic sanctions against certain countries or targeted industry sectors, groups of companies, persons or organizations.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any inquiry, investigation or penalty in relation to sales to overseas markets. However, we conducted transactions with certain entities, which or the affiliates of which were designated on sanction lists maintained by the various U.S. government entities ("**Restricted Entities**"), including the U.S. Department of Treasury Office of Foreign Assets Control and the U.S. Department of Commerce Bureau of Industry and Security. Such transactions accounted for a minimum portion of our total revenue and purchases during the Track Record Period. Such transactions with the Restricted Entities had no U.S. nexus and did not involve U.S.-origin products, and therefore we are not subject to primary sanction risks in relation to such transactions. Given the immateriality of such transactions, after consulting with our legal advisers, we believe that the risks that we are subject to any secondary sanction risk in relation to the transactions is remote.

Sanctions laws and regulations are constantly evolving, and new targeted industry sectors, groups of companies, persons or organizations are regularly added to the sanction lists under international sanctions programs. Further, new laws or restrictions could increase the obstacles for us to conduct our business internationally, and some or all of our products may be deemed subject to sanctions restrictions in the future. Furthermore, if we fail to keep ourselves updated with the latest developments of the international sanctions or other laws and regulations, we may be involved in sanctions risk exposures. If the relevant authorities of the relevant jurisdictions determine that any of our future activities as a violation of the sanctions imposed by these authorities or designate us, any of our Directors and/or substantial shareholders as a sanctioned company, person or organization, our business and reputation will be materially and adversely affected. In addition, any association with customers, suppliers and service providers in countries that are subject to any form of sanctions programs could subject us to reputational harm, which may lead to the loss of customers, suppliers or service providers, and in turn adversely affect our business, results of operations and financial condition.

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

Under the PRC EIT Law and its implementation rules, subject to applicable tax treaties or similar arrangements, dividends from PRC sources payable to non-PRC resident enterprise investors are generally subject to 10% PRC withholding tax if such investors have no establishment or place of business in Chinese Mainland, or if the relevant income is not effectively connected with such establishment or place of business. Gains realized by such investors from the transfer of shares are generally subject to 10% PRC income tax if treated as income from PRC sources, unless otherwise provided by applicable tax treaties or arrangements.

Under the PRC Individual Income Tax Law and its implementation rules, dividends from PRC sources paid to non-PRC resident individual investors are generally subject to 20% PRC withholding tax, and gains from PRC sources realized on share transfers are generally subject to 20% PRC income tax, subject to applicable treaty or statutory reductions or exemptions. Pursuant to relevant SAT guidance, dividends paid to non-PRC resident individual holders of H Shares are generally subject to PRC individual income tax at a withholding rate of 10%, depending on applicable tax treaties or arrangements, while holders in jurisdictions without such treaties are generally subject to 20% withholding tax. Existing MOF, SAT and CSRC rules provide that gains of individuals from the transfer of listed shares may be exempt from individual income tax, subject to exceptions for certain restricted shares. As of the Latest Practicable Date, these rules had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. If PRC income tax is imposed on gains from the transfer of our H Shares or dividends paid to our non-PRC resident investors, the value of your investment may be affected. Shareholders whose jurisdictions have tax treaties or arrangements with Chinese Mainland may also not qualify for treaty benefits.

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

Under the PRC EIT Law and the Regulation on the Implementation of the PRC Enterprise Income Tax Law, enterprises established under the laws of jurisdictions outside of Chinese Mainland with "de facto management bodies" located in Chinese Mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. As we are a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, they could be subject to the EIT at 25% on their global income. Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

We could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

The PRC EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations. We also operate in countries and regions overseas and are subject to various taxes, and therefore, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax

rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. We are also subject to the examination of our tax returns and other tax matters by local and overseas tax and governmental authorities. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

It may be complex to effect service of process upon us or our Directors or senior management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws and most of our assets are located in Chinese Mainland. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be difficult for investors outside of Chinese Mainland to effect service of process upon or to enforce judgments obtained against us or our management in courts outside of Chinese Mainland. Chinese Mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in Chinese Mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. We cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in Chinese Mainland, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of the PRC and Hong Kong.

As our A Shares are listed on the Shanghai Stock Exchange and our H shares will be [**REDACTED**] on the Main Board of the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the Main Board of the Stock Exchange. Under current laws and regulations of Chinese Mainland, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent [**REDACTED**], as well as

different levels of retail and institutional [**REDACTED**] participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

There has been no prior [REDACTED] for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] will develop and be sustained following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] of our H Shares may be materially and adversely affected.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses to [REDACTED].

The [**REDACTED**] and [**REDACTED**] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The business and performance and the [**REDACTED**] of the shares of other companies engaging in similar business may also affect the [**REDACTED**] and [**REDACTED**] of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The [**REDACTED**] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**] by our Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of

these Shares for future sale may have a negative impact on the [**REDACTED**] of our Shares. In addition, [**REDACTED**] subscribing shares in the [**REDACTED**] may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Any sale of the H Shares [**REDACTED**] by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the [**REDACTED**] of our H Shares and any sizeable sale could have a material and adverse effect on the [**REDACTED**] of our H Shares and could cause substantial volatility in the [**REDACTED**] of our H Shares.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, acquisitions, expansion plans, consolidations, sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no changes are made to the total issued share capital of our Company or the treasury Shares from the date of this document and to the [**REDACTED**], our Controlling Shareholders will be entitled to exercise the voting rights attached to approximately [**REDACTED**]% of total issued share capital of our Company (excluding the 21,855,792 A Shares held by our Company as treasury Shares). In addition, the interests of our Controlling Shareholders may differ from the interests of other Shareholders.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of Chinese Mainland, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of Chinese Mainland. See "Financial Information — Dividends" for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

We strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution our [**REDACTED**] not to rely on any information contained in press articles or other media regarding us, our Shares and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our [**REDACTED**] should not rely on such information.

Certain facts, forecast and other statistics in this document obtained from official government publications have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this document are derived from various official government publications. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. Nevertheless, information from official government publications have not been independently verified by us, the Joint Sponsors, the [**REDACTED**] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [**REDACTED**] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our [**REDACTED**] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements, such as "aim," "anticipate," "believe," "could," "predict," "potential," "continue," "expect," "intend," "may," "might," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions. These forward-looking statements are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Consequently, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [**REDACTED**] should not place undue reliance.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 and Rule 19A.15 of the Listing Rules.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong. Our Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. Therefore, our Company does not, and does not contemplate in the foreseeable future that we will, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us by way of the following arrangements:

(i) **Authorized representatives**: both of our Company's authorized representatives, Mr. WU Zhengping (吳政平) and Ms. YU Wing Sze (余詠詩), will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and/or email.

Each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

(ii) **Directors**: each Director has provided their mobile phone number, office phone number, fax number, if any, and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives.

Each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

(iii) **Compliance advisor**: we have appointed First Shanghai Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our

Directors, also act as an additional channel of communication with the Stock Exchange from the [**REDACTED**] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [**REDACTED**]. Pursuant to the Note of Rule 3A.23, the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us.

Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and

(iv) **Legal advisors**: we will also retain Hong Kong legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [**REDACTED**].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

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

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

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing the "relevant experience," the Hong Kong Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he/she played;
(ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the CWUMPO and the Takeovers Code;

(iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

We have appointed Mr. QI Lin (齊麟) ("**Mr. Qi**") as our joint company secretary with effect from the [**REDACTED**]. Our Group's key operations and principal business activities are conducted outside of Hong Kong. We believe that the company secretary role requires a person to be deeply familiar with our operations and the specific industry context, and to be able to cultivate strong relationships with both the Board and the management. It would be in the best interests of our Company and our corporate governance to have as its joint company secretary a person such as Mr. Qi who has been serving as the secretary of the Board since 2021. As the secretary of the Board, Mr. Qi is deeply familiar with our operations and is able to cultivate strong relationships with both the Board and the management. Our Directors believe that Mr. Qi's intimate knowledge of our Company and operations is essential for the performance of company secretary duties in the most effective and efficient manner. For biographical details, see "Directors and Senior Management."

Since Mr. Qi does not possess the qualifications stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a [**REDACTED**] stipulated under the Listing Rules. To support Mr. Qi in performing the duties of company secretary, we have appointed Ms. YU Wing Sze (余詠詩) *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* ("**Ms. Yu**"), who meets the requirements under Rule 3.28 of the Listing Rules, as a joint company secretary to provide assistance for a three-year period from the [**REDACTED**] so as to enable Mr. Qi to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge his duties.

Accordingly, our Company has applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Qi as our joint company secretary. Pursuant to Chapter 3.10 of the Listing Guide, such waiver [has been] granted on the conditions that: (i) Ms. Yu is appointed as a joint company secretary to assist Mr. Qi in discharging his functions as a company secretary and gaining the relevant experience under Rule 3.28 of the Listing Rules; (ii) this waiver will be revoked immediately if and when Ms. Yu ceases to provide such assistance during the three-year period; and (iii) this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

In addition, Mr. Qi will comply with the annual professional training requirements under Rule 3.29 of the Listing Rules and enhance his understanding of the Listing Rules during the three-year period from the [**REDACTED**]. Our Company will further ensure that Mr. Qi has access to the relevant training and support to familiarize himself with the Listing Rules and the duties of a company secretary of [**REDACTED**] on the Stock Exchange. Prior to the expiration of the three-year period, our Company will further evaluate the qualifications and experience of Mr. Qi to determine whether he has satisfied the requirements as stipulated under the Listing Rules and whether he needs further assistance. We will liaise with and assist the Stock

Exchange in assessing whether Mr. Qi, having benefited from the assistance of Ms. Yu for three years, has acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RESPECT OF ALTERATION IN SHARE CAPITAL

Paragraph 26 of Appendix D1A to the Listing Rules requires this document to include the particulars of any alterations in the capital of any member of our Group within the two years immediately preceding the issue of this document.

Paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance require this document to include, information in relation to the name, date and place of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company (a) the whole of the capital of which or a substantial proportion thereof is held or intended to be held by our Company, or (b) whose profits or assets make, or will make a material contribution to the figures in the Accountants' Report or to our Company's next financial statements.

As of the Latest Practicable Date, we had more than 100 subsidiaries globally. It would be unduly burdensome for us to disclose the required information in respect of all of our subsidiaries as our Company would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material nor meaningful to [**REDACTED**]. The non-disclosure of such information will not prejudice the interests of our Shareholders or potential [**REDACTED**].

We have identified 20 Major Subsidiaries that we consider are material to our operations and/or contributed significantly to our financial performance during the Track Record Period. None of the non-Major Subsidiaries is individually material to us in terms of its contribution to our total assets, total revenue or losses, or holds any major assets, proprietary technologies or intellectual property rights. By way of illustration, before intercompany eliminations, (i) as of December 31, 2023, 2024 and 2025 and March 31, 2026, the aggregate assets of our Company and its Major Subsidiaries represent 115.6%, 118.9%, 123.1% and 124.7% of our total assets, (ii) for each of the financial year ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026, the aggregate revenue of our Company and its Major Subsidiaries represents 95.1%, 97.5%, 97.5% and 94.2% of our total revenue and (iii) for each of the financial year ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026, the aggregate losses of our Company and its Major Subsidiaries represent 71.2%, 93.2%, 60.9% and 86.4% of our total losses, respectively. None of the other subsidiaries of our Company that are not Major Subsidiaries individually contributed to 5% or more of our Group's total assets as of December 31, 2023, 2024 and 2025 and March 31, 2026 or 5% or more of our Group's revenue or losses for each of the financial year ended December

31, 2023, 2024 and 2025 and for the three months ended March 31, 2026. Accordingly, the remaining subsidiaries which are not Major Subsidiaries in our Group are relatively insignificant to the overall results of our Group.

We have disclosed the particulars of the changes in the share capital of our Company and the Major Subsidiaries in "Statutory and General Information — Further Information about Our Group — Changes in the Share Capital of Our Major Subsidiaries" in Appendix VI.

We have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under paragraph 26 of Appendix D1A to the Listing Rules, in respect of disclosing the particulars of any alteration in the capital of any member of our Group within the two years immediately preceding the issue of this document.

We have applied for[, and the SFC has granted us], a certificate of exemption from strict compliance with the requirements under paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the information of our subsidiaries which are not Major Subsidiaries as required under paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The exemption is granted by the SFC on the conditions that: (i) the particulars of the exemption are disclosed in this document; and (ii) this document is issued on or before [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

WAIVER IN RESPECT OF INVESTMENT AFTER THE TRACK RECORD PERIOD

Rules 4.04(2) and 4.04(4) of the Listing Rules require that the new applicant includes in its accountants' report the results and balance sheet of any business or subsidiary acquired, agreed or proposed to be acquired, since the date to which its latest audited accounts have been made up, in respect of each of the three financial year immediately preceding the issue of the listing document.

Pursuant to note (4) of Rule 4.04(4) of the Listing Rules, the Stock Exchange may consider an application for a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules taking into account the following factors:

(i) that all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) are less than 5% by reference to the most recent audited financial year of the new applicant's trading record period;

(ii) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the SFC in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and

(iii) (a) where a new applicant's principal activities involve the acquisition of equity securities (the Stock Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which Rules 4.04(2) and 4.04(4) of the Listing Rules relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Hong Kong Code on Takeovers and Mergers as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or (b) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction

under Rules 14.58 and 14.60 of the Listing Rules on each acquisition. In this regard, "unduly burdensome" will be assessed based on each new applicant's specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target's books and records for the purpose of complying with the disclosure requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules).

In April 2026, one of our subsidiaries entered into a capital increase agreement with a target (the "**Target**") to subscribe for its increased registered capital of RMB217,031 (representing 0.40 % of its total issued share capital immediately upon the completion) for a total consideration of RMB40 million (the "**Post-TRP Investment**"). The Target is a technology company primarily engaged in the design, development and supply of semiconductor products.

The consideration of the Post-TRP Investment was the result of arm's length commercial negotiations, based on factors including market dynamics and mutually agreed valuation. The basis of such valuation was determined with reference to the valuation of the Target in its previous financing round. As of the Latest Practicable Date, the Post-TRP Investment had been settled in cash using our internal resources. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, the Target and its ultimate beneficial owners were Independent Third Parties as of the Latest Practicable Date. Our Company believes that the Post-TRP Investment will contribute to our business expansion and will also support our long-term business development. Our Directors consider that the Post-TRP Investment is on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Post-TRP Investment on the following grounds:

(i) under Rule 14.04(9) of the Listing Rules, all the applicable percentage ratios in relation to the Post-TRP Investment, are below 5% by reference to the most recent audited financial year of the Track Record Period. Therefore, we consider the Post-TRP Investment to be immaterial in the context of our Company's operations as a whole and will not result in any significant change to our financial position since March 31, 2026. All information that is reasonably necessary for potential investors to make an informed assessment of the Company's activities or financial position has been included in this document. As such, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules would not prejudice the interests of the investing public;

(ii) given that our Group is neither able to exercise any control nor have any significant influence over the Target, we would not be able to compel or request the Target to cooperate with our audit work in order for us to comply with the relevant requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. In addition,

having considered the Post-TRP Investment to be immaterial and that we do not expect the Post-TRP Investment to have any material effect on our business, financial condition or operations, we believe that it would not be meaningful and would be impractical for us to disclose the audited financial information of the Target as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules and include the financial information of the Target during the Track Record Period in this document; and

(iii) our Company has provided alternative information about the Post-TRP Investment in this document. Such information includes that which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that the Directors consider to be material, including, for example, descriptions of the Target's principal business activities, the consideration for the Post-TRP Investment, the basis for valuation and a statement as to whether the counterparty and its ultimate beneficial owners is an Independent Third Party. Since the applicable percentage ratios of the Post-TRP Investment, are less than 5% by reference to the most recent fiscal year of our Track Record Period, the current disclosure is adequate for potential investors to form an informed assessment of our Company.

For the avoidance of doubt, the identity of the Target is not disclosed in this document because (i) we are subject to confidentiality obligations and we do not have due consent for such disclosures, and (ii) we are not required to disclose any further details of the Post-TRP Investment at this stage under the CSRC rules and the rules of the Shanghai Stock Exchange.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. WANG Wenjing (王文京)	Building 12 No. 68 Beiqing Road Haidian District Beijing PRC	Chinese
Mr. WU Zhengping (吴政平)	Room 08, Gate 1 Building 5 No. 4 Zizhuyuan South Road Haidian District Beijing PRC	Chinese
Dr. HUANG Chenhong (黄陳宏)	No. 1071, Laimeng Lake Villa Konggang Street Shunyi District Beijing PRC	United States of America
Mr. GENG Fan (耿凡)	Room 1410, Building 3 No. 23 Xiaoying North Road Chaoyang District Beijing PRC	Chinese
Non-Executive Director		
Mr. GUO Xinping (郭新平)	Room 1504, Building 3 No. 1 Zizhuyuan Road Haidian District Beijing PRC	Chinese

Independent Non-Executive Directors

Dr. ZHANG Ruijun (張瑞君)	Room 602, Gate 1 Building 206 No. 37 Xueyuan Road Haidian District Beijing PRC	Chinese
Mr. DENG Feng (鄧鋒)	Room 1003, Building 15 Xincheng International Chaoyang District Beijing PRC	United States of America
Ms. FANG Xuan (方璇)	Room 6, 40/F Kam Shing House Kam Tai Court Ma On Shan Hong Kong	Hong Kong

For further details regarding our Directors, please see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CMB International Capital Limited
45th Floor
Champion Tower
3 Garden Road
Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

[**REDACTED**]

Legal Advisors to our Company

as to Hong Kong and U.S. laws:

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

as to PRC law:

Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

Legal Advisors to the Joint Sponsors and [REDACTED]	*as to Hong Kong and U.S. laws:* **Herbert Smith Freehills Kramer** 23rd Floor, Gloucester Tower 15 Queen's Road Central Hong Kong *as to PRC law:* **Tian Yuan Law Firm** Suite 509 Tower A, Corporate Square 35 Financial Street Xicheng District Beijing PRC
Reporting Accountant and Independent Auditor	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504, Wheelock Square 1717 Nanjing West Road Jing'an District Shanghai PRC
Compliance Advisor	**First Shanghai Capital Limited** 19/F., Wing On House 71 Des Voeux Road Central Hong Kong

[**REDACTED**]

CORPORATE INFORMATION

Registered Office in the PRC	No. 68, Beiqing Road Haidian District Beijing PRC
Head Office and Principal Place of Business in the PRC	No. 68, Beiqing Road Haidian District Beijing PRC
Principal Place of Business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.yonyou.com** *(Information contained in this website does not form part of this document)*
Joint Company Secretaries	**Mr. QI Lin (齊麟)** No. 68, Beiqing Road Haidian District Beijing PRC **Ms. YU Wing Sze (余詠詩)** *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Mr. WU Zhengping (吳政平) Ms. YU Wing Sze (余詠詩)
Audit Committee	Dr. ZHANG Ruijun *(Chairperson)* Mr. GUO Xinping Ms. FANG Xuan

Nomination Committee	Dr. ZHANG Ruijun *(Chairperson)* Mr. WANG Wenjing Mr. DENG Feng
Remuneration and Appraisal Committee	Ms. FANG Xuan *(Chairperson)* Mr. WANG Wenjing Dr. ZHANG Ruijun
Strategy and Sustainable Development Committee	Mr. WANG Wenjing *(Chairperson)* Mr. GUO Xinping Mr. WU Zhengping Dr. HUANG Chenhong Dr. ZHANG Ruijun Mr. DENG Feng Ms. FANG Xuan

[**REDACTED**]

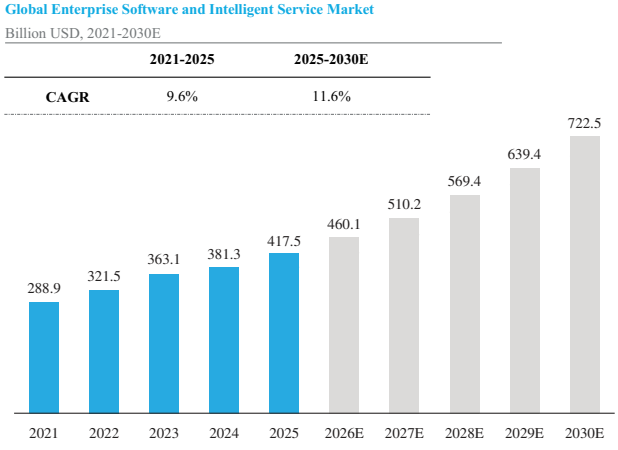
Principal Banks	**Bank of Beijing Co., Ltd. Zhanlan Road Branch** No. 8 Xizhimenwai South Road, Xicheng District Beijing PRC **China Merchants Bank Co., Ltd. Beijing Tsinghua Science Park Technology Finance Branch** B1G03, Building 8 No. 1 Courtyard Zhongguancun East Road Haidian District Beijing PRC

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public, market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**]*, any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

OVERVIEW OF GLOBAL ENTERPRISE SOFTWARE AND SERVICE MARKET

Development of Global Enterprise Software and Service Market

Enterprise software and service refers to the software and service provided to enterprises to support various business operations and management of enterprises. Enterprise software and services usually include enterprise resource planning (including human resource), customer relationship management, supplier relationship management, and product lifecycle management, and other software and service powered by AI, which are designed to help enterprises upgrade and transform their business processes and management system in a digital and intelligent manner. The global enterprise software and service market has experienced three key stages of development, from on-premises, cloud-based to AI powered, each of which has shown significant evolution in terms of technology architecture, product, business model and core value proposition. Going forward, the market size of global enterprise software and service market, in terms of revenue, is expected to reach US$722.5 billion in 2030 with a CAGR of 11.6% from 2025 to 2030.



Source: Desk research, WIPO, Frost & Sullivan

The global enterprise software and service market features intense competition, with an estimated number of over 20 thousand providers worldwide, ranging from comprehensive technology providers to numerous specific solution providers. The market remains relatively fragmented, as the top 10 players collectively account for approximately 30% of the global

market, in terms of revenue. In terms of revenue in 2025, we held an estimated market share of approximately 0.3% in the global enterprise software and service market. Although we were not ranked among the top 10 global provider, we remained as the largest enterprise software and service provider in China.

Drivers of Global Enterprise Software and Service Market

- ***Development of Emerging Technologies.*** Core digital technologies such as cloud computing, big data and artificial intelligence are advancing rapidly, improving data collection and processing efficiency while lowering application costs and barriers. In particular, advances in AI algorithms, growing data availability, declining computing costs and cloud-based deployment have enhanced AI's usability and accelerated its adoption across industries, driving continued growth in the global enterprise software and services market.
- ***Well-established Digital Intelligence Infrastructure.*** The continuous upgrade of networks, computing power, and storage facilities has greatly improved enterprises' capabilities in data acquisition, processing, transmission, and storage, laying a solid foundation for the deployment and application of enterprise software.
- ***Increasing Demand for Digital and Intelligent Transformation from Enterprises.*** Digital and intelligent transformation has become a key approach to enhancing per capita productivity as more enterprises are investing in automation and intelligent technologies. In addition to internet enterprises, traditional industries such as manufacturing, energy, and agriculture are also accelerating their digital transformation. This growing demand for digital and intelligent transformation across sectors continues to drive the development of the global enterprise software and service market.

Future Trends of Global Enterprise Software and Service Market

- ***Rising Importance of IT Spending.*** In the digital era, software has become the core carrier of digital technologies, and enterprises are relying more on software to drive innovation, enhance efficiency, and optimize operation. As enterprise IT spending rises, software expenditure as a share of overall IT spending is also expected to grow from 4.6% in 2025 to 5.1% in 2030.
- ***Growing Cloud Service Adoption.*** With increasing technological maturity and declining costs of use, cloud deployment is becoming the mainstream IT architecture for enterprises. More businesses are moving their core applications and business systems to the cloud to improve flexibility, scalability, and operational efficiency.
- ***Deeper Integration with AI Technology.*** With continuous breakthroughs in AI technology, AI is becoming deeply integrated into enterprise software and services and serving as a key driver of market growth. AI creates new demand for intelligent applications, increases enterprises' needs for high-quality data governance and data platforms, and drives upgrades of legacy software systems that cannot support AI deployment and operation. These trends are accelerating the evolution of enterprise applications toward smarter and higher-value use cases while expanding the enterprise software and services market.

Key Success Factors of Global Enterprise Software and Service Market

- ***R&D Capabilities.*** In a technology-driven and fast-evolving enterprise software and service market, R&D capabilities are essential to build long-term competitive advantages. Leading players typically possess a rich reserve of technical talent, maintain sustained investment in R&D, and demonstrate deep industry expertise. These strengths enable them to establish technology and product leadership and differentiation. Diversified and professional R&D teams help maintain various technological advantages such as algorithms, system architecture, and industry-specific know-how. Continuous investment drives technological iteration, platform refinement, and core algorithm optimization, thereby building strong intellectual property barriers. A deep understanding of enterprises' business scenarios also enables the development of products and solutions that are highly aligned with customers' needs. Furthermore, strong R&D capabilities can enable rapid integration of emerging technologies such as AI. Enterprise with strong R&D capabilities can quickly embed these emerging technologies into their offerings achieving market leadership.
- ***Customer success mechanisms.*** Leading enterprise software and service providers must also have specialized, engineered, scaled marketing, customer sales, project delivery and continuous service capabilities. These capabilities enable them to achieve large-scale sales of products in local market and global markets, significantly diminishing the cost of delivery and service while ensuring customer satisfaction.
- ***Scaled and complete ecosystem.*** A leading enterprise software and service provider should also establish and operate a diversified and scalable ecosystem around its core products and services, comprising independent software developers, professional service providers, and other sales and marketing partners and technology partners.

Threats and Challenges of Global Enterprise Software and Service Market

- ***Local market expansion.*** Global enterprise software and service providers face challenges when expanding into new local markets due to factors such as different regulatory environments and competitive dynamics. Therefore, enterprise software and service providers have to adapt products for different industry standards and local markets' demands, which increases go-to-market complexity and limits their economies of scale.
- ***Rising emphasis on data protection.*** Leading global enterprise software and service providers should comply with a complex and evolving array of data protection and compliance regulations, which increases compliance cost and potential legal exposure. In addition, cross-border data transfer restrictions limit scalability and necessitate region-specific deployments, further adding to operational complexity.

OVERVIEW OF ENTERPRISE SOFTWARE AND SERVICE MARKET IN CHINA

Development of Enterprise Software and Service Market in China

China has developed into the world's second largest enterprise software and service market after the U.S., and there is still a large room for development in the future. Specifically, the main differences between the Chinese and U.S. markets are as follows:

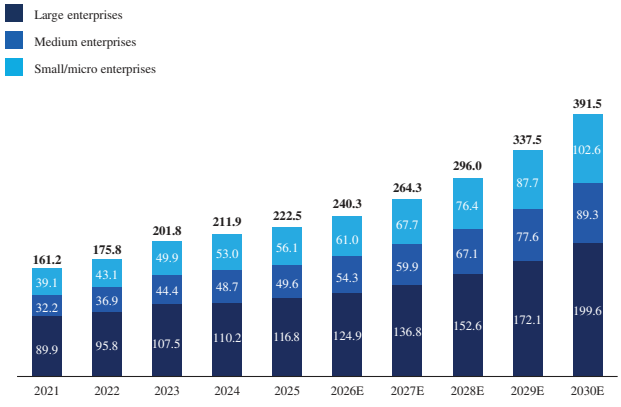
Dimension	China	United States
Business Complexity and Innovativeness	• Chinese enterprises, especially large ones, often have highly complex business processes and highly customized systems. As a result, Chinese providers tend to possess stronger comprehensive capabilities across technology, products, and service systems. • Chinese digital intelligence business environment is advanced. More industry-leading companies are starting to be at the forefront of global digital intelligence innovation and are beginning to export it globally.	• Most enterprises operate with well-standardized processes and clear management frameworks. This leads to higher acceptance of standardized enterprise software products and shorter implementation cycles.
IT Budget as a Percentage of Revenue	• Overall IT investment by Chinese enterprises remains relatively low, with IT budgets typically accounting for less than 5% of revenue. This is especially true in traditional industries. However, there is substantial potential for growth.	• U.S. enterprises generally allocate a higher proportion of revenue to IT budgets. IT is viewed as a strategic investment to enhance competitiveness and operational efficiency, with budget shares often exceeding 5%. Digital transformation of the enterprises is considered a key mid- to long-term strategic focus.
Cloud Adoption	• Cloud migration among Chinese enterprises still has considerable room for growth. Large clients are adopting deployment models centered around private and dedicated clouds.	• U.S. enterprises show a high level of acceptance of cloud migration. Most enterprises, particularly small and medium-sized ones, primarily adopt public cloud deployment models.
Acceptance of Subscription Fee Model	• Subscription fee models have been relatively well accepted by small and medium-sized Chinese clients. However, large enterprises still have room for broader adoption of this model. The number of accepted enterprises is already growing.	• U.S. enterprises widely embrace subscription models, with a strong preference for "pay-as-you-go" or monthly/yearly subscription plans. They place greater value on the continuous services and updates that come with such models.

The market size of enterprise software and service market in China, in terms of revenue, is expected to increase from RMB222.5 billion in 2025 to RMB391.5 billion in 2030 with a CAGR of 12.0%.

Enterprise Software and Intelligent Service Market in China

Billion RMB, 2021-2030E

CAGR	2021-2025	2025-2030E
Total	**8.4%**	**12.0%**
Large enterprises	6.8%	11.3%
Medium enterprises	11.4%	12.5%
Small/micro enterprises	9.4%	12.8%



Source: Desk research, CAICT, Frost & Sullivan

Major cost components of companies in the enterprise software and service market in China or, by the extension, the technology service industry is primarily the salary and benefit expenses paid to employees. The average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry increased from RMB114.6 thousand in 2021 to RMB128.2 thousand in 2025, reflecting a CAGR of 2.8% from 2021 to 2025. The average annual urban salary for employees in private companies within China's information transmission, software, and IT services industry is expected to continue increasing, amounting to RMB157.4 thousand in 2030 with a CAGR of 4.2% from 2025 to 2030. The steady increase in costs for enterprise software and service providers is considered normal rather than any material fluctuation and is not expected to have a materially adverse impact on their operations.

Drivers of Enterprise Software and Service Market in China

- ***AI Accelerates the Digital and Intelligent Transformation of Enterprises.*** The rapid breakthroughs in AI technology, particularly the widespread adoption of generative AI based on large models, have significantly heightened the urgency and willingness of Chinese enterprises to invest in digital and intelligent transformation. AI is being deeply embedded into core business processes. This trend not only accelerated the procurement of intelligent software and services, but also spurred demand for enterprise data platforms and service software, while further driving the upgrade of enterprise software systems to a new generation equipped with intelligent service capabilities.
- ***Information Technology Application Innovation Wave Accelerates Software and Service Growth.*** Against the backdrop of shifting global geopolitics and heightened supply chain security concerns, information technology application innovation has become a key priority for IT system procurement among Chinese enterprises and public organizations. Driven by the needs for compliance, security, and controllability, enterprises are actively seeking domestic alternatives, creating revenue growth opportunities for Chinese software and service providers. The information technology application innovation movement is also accelerating the maturity of the local software ecosystem, enhancing software functionality and simultaneously expanding related service such as IT services, maintenance, and migration consulting. This provides long-term momentum for the continued growth of China's enterprise software and service market.
- ***The globalization of Chinese enterprises has fueled demand for enterprise software and services.*** In recent years, the overseas expansion of Chinese enterprises, or globalization of Chinese enterprises, has significantly accelerated. The expansion of these enterprises operating worldwide require increasing support of digital and intelligence platforms and systems, which further accelerated their digital and intelligent transformation and the deep adoption of software systems, resulting in a surge in market demand for enterprise software and intelligent services.

- ***Policy Support Unlocks Industry Growth Potential.*** The Chinese government attaches great importance to the development of the digital economic development and enterprise digital and intelligent transformation. It has introduced a series of policy documents, including the "14th Five-Year Plan for Digital Economy Development" which emphasizes that the software industry shall be further expanded and strengthened, with a focus on enhancing innovation capacity and supply capability in key software technologies, and "Guiding Opinions on Accelerating the Transformation and Upgrading of Traditional Manufacturing Industries enterprises," which asks to accelerate digital technology empowerment and comprehensively promote. In addition, The Proposal for Formulating the 15th Five-Year Plan for National Economic and Social Development emphasizes the need to comprehensively enhance independent innovation capabilities and, more importantly, to increase government procurement of domestically innovated products." The "Three-Year Action Plan for Building a National High Ground in the Information Innovation Industry (2023-2025)" also calls for establishing a citywide catalogue of information technology application innovation opportunities and promoting adoption in key sectors such as finance and energy, in order to seize the strategic opportunities created by information technology application innovation in central state-owned enterprises. Collectively, these policies are expected to strengthen China's software innovation capabilities, accelerate the development and adoption of domestic enterprise software and service in China, and reduce reliance on foreign technologies."

Development Trends of Enterprise Software and Service Market in China

- ***AI Accelerated the Digital and Intelligent Transformation of Enterprises and Drive Upgrades in Software and Services.*** The rapid development of AI has accelerated the digital and intelligent transformation of enterprises and driven the upgrade of enterprise software systems to a new generation of intelligent enterprise software and intelligent services. To better meet enterprises' growing demand for intelligence, software and service providers are accelerating product iteration and deeply embedding AI capabilities into core products to create greater value for our clients. As large model technologies mature and are adopted into practical use, AI agent are emerging as a major direction within the enterprise software and service market. AI agent can autonomously complete task-oriented workflows without or with limited human intervention, improving automation and intelligence levels and propelling the market into a new industrial development cycle.
- ***Cloud and Data Services Will Further Integrate with Software and Services, Activating the Value of Enterprise Digital and Intelligent Transformation.*** Cloud services provide advantages in scalability, flexibility, collaboration, security, and data protection, helping enterprises reduce upfront IT infrastructure investments and ongoing maintenance costs. As digital and intelligent transformation progresses, more enterprises are adopting cloud-based advanced technology architectures, making cloud migration the norm across industries. Meanwhile, the integration of data services with cloud platforms enables efficient aggregation, management, and analysis of massive datasets, providing precise business analysis, operations management, and decision support for enterprises. Cloud and data services will be more deeply embedded into applications across various industries, becoming essential components of enterprise digital and intelligent transformation and upgrades.

- ***Domestic Providers are Continuously Increasing Their Market Share in Enterprise Software and Service Market in China.*** Chinese providers has been demonstrating their product advantages, cost-effective advantages, and policy support advantages in upgrading their enterprise software to digital-intelligent new-generation enterprise software. As customers are increasingly focused on reducing the total cost of ownership of enterprise software and services compared with overseas providers, domestic providers' products and cost-effective performance in deployment, operation and maintenance are increasingly favored by medium and large enterprises. In addition, the steady advancement of the "Information Technology Application Innovation" strategy has further pushed enterprises to prioritize domestic providers in terms of security and self-control. China's local providers have gained a competitive advantage due to multiple drivers, and their development becomes a key force driving the industry's continuous development.
- ***Chinese Enterprise Software and Services will Accelerate Overseas.*** After serving domestic clients with complex and diverse digital and intelligent transformation practices, Chinese enterprise software providers have accumulated profound product capabilities and service experience, and have become globally competitive in key areas such as cloud services and AI. Benefiting from these advantages, more leading Chinese enterprise software and service providers are actively expanding into overseas markets, not only providing "going overseas" Chinese enterprises with digital and intelligent solutions that meet their global operational needs, but also gradually winning the recognition of overseas local clients. When facing Chinese enterprises' overseas clients, Chinese providers have become their digital intelligence partners in the process of globalization by accompanying them in the whole process of service from system construction to business implementation. When facing overseas local clients, Chinese providers are also continuously accelerating the construction of globalization and localization capabilities, actively adapting to the regulatory systems, languages and cultures of different countries and regions, and continuously optimizing the product architecture, deployment mode, service response mechanism and others to create a more locally adaptable product and service system. By deepening local eco-cooperation and channel expansion, these providers are gradually breaking through the limitations of "going overseas to serve only Chinese enterprises," winning wider market recognition, and continuing to enhance their comprehensive competitiveness in the global enterprise software market.

Competitive Landscape of Enterprise Software and Service Market in China

Our Company is the largest enterprise software and service provider in China in terms of revenue in 2025, with a market share of 3.8%. Our Company also provides the broadest coverage of enterprise application domain globally. The following table sets forth the ranking of enterprise software and service providers in China in 2025.

Ranking	Company	Revenue	Market Share	Number of application domain supported
		(RMB Billion)	*(%)*	
1	Our Company	8.6	3.8%	10
2	Company A	7.0	3.2%	8
3	Company B	6.9	3.1%	8
4	Company C	2.3	1.0%	6
5	Company D	1.7	0.8%	9

Our Company is also the largest domestic enterprise software company in China in 2025 by overseas revenue.

Ranking	Company	Overseas Revenue
		(RMB Million)
1	Our Company	304
2	Company B	101
3	Company C	13

Source: Desk research, expert interview, annual reports, Frost & Sullivan

Notes:

(1) Company A is a German public company listed on both Frankfurt Stock Exchange and New York Stock Exchange, which primarily provides enterprise software and service globally.
(2) Company B is a Chinese public company listed on Hong Kong Stock Exchange, which primarily provides enterprise software and service in China.
(3) Company C is a Chinese public company listed on Shanghai Stock Exchange, which primarily provides enterprise software and service in China.
(4) Company D is a U.S. public company listed on New York Stock Exchange, which primarily provides enterprise software and service globally.

Threats and Challenges of Enterprise Software and Service Market in China

- ***High Flexibility Needs for Enterprises.*** From the demand side, enterprises, especially large-sized enterprises, typically have complex business processes, organizational structures, and industry-specific requirements. Enterprises are seeking greater flexibility from enterprise software and service providers, enabling them to adjust and customize software within a defined scope according to their complex business processes, organizational structures, and industry-specific requirements. Addressing enterprises' demand for software flexibility has become a key challenge in the China's market.
- ***Fast Technology Iteration.*** Rapid advancements in generative AI and large model technologies are continuously reshaping customer expectations and shortening product lifecycles. Customers increasingly demand intelligent, adaptive, and automated solutions that enhance efficiency and decision-making. As a result, enterprise software and service providers in China that fail to integrate AI capabilities, deliver continuous innovation, or align with evolving technology trends risk losing competitiveness and market relevance.

SOURCE OF INFORMATION

We engaged Frost & Sullivan to analyze and prepare an industry report on the markets in which we operate. We have agreed to a total of RMB500,000 in fees and expenses for the preparation and use of the Frost & Sullivan Report. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reliable industry organizations. Where necessary, Frost & Sullivan interviewed companies operating in the industry to gather and synthesize information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report are factual, correct and not misleading, and has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources. The Directors confirm and the Joint Sponsors concur that, having exercised reasonable care, there have been no adverse changes in market information, taken as a whole since the date of the Frost & Sullivan Report, that would materially limit, contradict or adversely affect these data.

This section sets out a summary of the most significant rules and regulations affecting our business activities in China.

REGULATIONS RELATING TO FOREIGN INVESTMENT

Foreign Investment Regulation

The establishment, operation and management of our PRC companies are governed by the Company Law of the PRC (the "**Company Law**"), which applies to all PRC companies including foreign-invested companies, except where foreign-investment related laws provide otherwise. According to the Company Law, companies established in the PRC are either limited liability companies or joint stock limited liability companies.

The Foreign Investment Law of the PRC sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (collectively, the "foreign investors") shall not invest in any sector prohibited as specified in the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of equality in treating domestic investments and foreign investments. It, together with its implementation rules, also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information report system where foreign investors or foreign-funded enterprises shall submit investment information to the competent departments of commerce through the enterprise registration system and the enterprise credit information publicity system.

The Measures for Foreign Investment Information Reporting sets out the details of the foreign investment information report system. Since January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

Foreign Investment Access Relating to Value-added Telecommunications Services

According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (the "**Negative List**"), value-added telecommunications services which fall within China's commitment to the WTO (excluding e-commerce, domestic multi-party communications, data collection and transmission services, and call centers) is a restricted industry for foreign investment, and the shareholding ratio of foreign investors shall not exceed 50%. The first category of value-added telecommunications services, including internet data center services and internet access services, are not included in the scope of value-added telecommunications services that China committed to open to foreign investment upon its accession to the WTO. Except as stipulated under the Mainland and Hong Kong Closer Economic Partnership Arrangement and Mainland and Macau Closer Economic Partnership

Arrangement (collectively referred to as "CEPA"), which allow access to eligible investors from Hong Kong and Macau meeting CEPA requirements, these first category of value-added telecommunications services are not open to other overseas investors.

According to the Negative List, any domestic enterprise engaging in the fields prohibited by the Negative List may issue shares abroad and list and trade such shares overseas, if they have obtained the consent from the relevant competent authorities of the PRC, the overseas investors shall not participate in the operation and management of the enterprise, and overseas investors' shareholding percentage shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors. According to the further clarification of the NDRC through the Answers to Reporters' Questions on the Negative List (2021 version) by relevant officials of the NDRC disclosed on its official website, the current regulations require that the shareholding percentage of a single overseas investor and its affiliates shall not exceed 10% of the total number of shares of the company, and the shareholding percentage of all overseas investors and their affiliates in aggregate shall not exceed 30% of the total number of shares of the company. For companies engaged in industries prohibited by the Negative List for foreign investment and listed both domestically and overseas, the holdings of overseas investors in both domestic and overseas listed shares of the same company are combined for calculation.

Pursuant to the Guidelines No. 1 on the Application of Securities Trading Rules of the Shanghai Stock Exchange for Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors, when all qualified foreign investors and other foreign investors collectively hold 24% or more of the total A-share stocks of a single listed company, the Shanghai Stock Exchange will, before the market open of the next trading day, announce on its website the total number of the A-share stocks of the company held by the foreign investors and such number as a percentage of the total number of the company's stocks. When, after the close of a trading day, the stocks of a listed company held by a single qualified foreign investor or other foreign investor exceeds the shareholding limit, the qualified foreign investor or other foreign investor shall, within 5 trading days, close out the positions in excess of the shareholding limit and, as required, timely perform its obligation to disclose information related thereto.

According to the Securities Law of the PRC and the Administrative Measures on Acquisition of Listed Companies, where the shares held by an investor (including an overseas investor) through securities transactions on a stock exchange or jointly with others through an agreement or other arrangements attain 5% of the issued voting rights shares (including A-shares and H-shares) of a listed company, the investor shall submit a written report to the CSRC and the stock exchange within three days, notify the listed company and make an announcement. Whenever the investor's shares with voting rights in the said listed company are increased or reduced by 1%, the investor shall notify the listed company on the day following such occurrence, and make an announcement.

According to the Measures for the Security Review of Foreign Investment, any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof. An overseas investor or a party concerned in mainland China shall take the initiative to make a declaration to the working mechanism office prior to making the investment in any important infrastructure, important transportation services and other important fields that concern state security while obtaining the actual control over the enterprises invested in.

Foreign direct investment in telecommunications companies in China is governed by the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises, which stipulates that unless otherwise stipulated by the State, the maximum proportion of capital contributed by a foreign investor in a foreign-invested telecommunications enterprise which operates basic telecommunications services (other than radio paging services) shall not exceed 49%, and the maximum proportion of capital contributed by a foreign investor in a foreign-invested telecommunications enterprise which operates value-added telecommunications services (including radio paging services under basic telecommunications services) shall not exceed 50%.

The Ministry of Information Industry of the PRC (predecessor of the Ministry of Industry and Information Technology of the PRC) (the "**MIIT**") issued the Circular of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services, which stipulates that a domestic telecommunications enterprise shall not, through any form, lease, transfer or sell a telecommunications businesses license to a foreign investor, or provide other conditions such as resources, offices and working places, facilities for any foreign investor to engage in any illegal telecommunications operation in any form within the PRC. Each value-added telecommunications enterprise shall have the facilities required for its approved business operations and maintain such facilities in the regions covered by its license and all value-added telecommunications services providers shall maintain network and information security in accordance with the standards specified by relevant PRC regulations. If a value-added telecommunications business license holder fails to comply with the requirements in the aforementioned Circular and to rectify up to the requirements within a prescribed period, the MIIT or its local counterparts have the discretion to take measures against such license holder, including revoking its value-added telecommunications business license.

REGULATIONS RELATING TO TELECOMMUNICATIONS SERVICES

Among all of the applicable laws and regulations, the Telecommunications Regulations of the PRC (the "**Telecommunications Regulations**") is the primary governing law, which sets out the general framework of the regulations for the provision of telecommunications services by domestic companies in the PRC. Under the Telecommunications Regulations, a telecommunications service provider shall obtain an operation license prior to the commencement of operations. The Telecommunications Regulations distinguish basic telecommunications services from value-added telecommunications services.

The Classification Catalogue of Telecommunications Services (the "**MIIT Catalogue**") was issued as an attachment to the Telecommunications Regulations. The MIIT Catalogue divides telecommunications services into two major categories: basic telecommunication services and value-added telecommunication services. Each major category was divided into subcategories.

According to the Administrative Measures on Internet Information Services (the "**Internet Information Measures**"), internet information services refer to the service activities of providing information to internet users through the internet, and can be divided into two categories: operational and non-operational. Operational Internet Information services refer to the provision of information, web page production or other services to internet users through the internet for fees. Non-Operational Internet Information services refer to the provision of public and commonly shared information to web users through the internet free of charge. The State establishes a licensing system for Operational Internet information service. Operational Internet information service shall be provided with a licence for value-added telecommunication services obtained from telecommunications administrative authorities of the provinces, autonomous regions and cities under the direct control of the Central Government or the Ministry of Information Technology.

The Administrative Measures for Telecommunications Business Operating Licence sets forth more specific provisions regarding the types of licences required for operating value-added telecommunications services, the qualifications and procedures for obtaining the licences and the administration and supervision of these licences. According to the Measures, an operator of telecommunications services shall obtain a licence for value-added telecommunications services from the telecommunications administrative department in accordance with the law.

The Interim Measures for the Supervision and Administration of Telecom Service Quality apply to the supervision and administration of licensed telecommunications operators in the PRC, pursuant to which the MIIT supervises and administers the quality of the telecommunications services provided by telecommunications service providers in accordance with applicable laws and regulations. Where a telecommunication services provider violates the telecommunications service standards and infringes upon the lawful rights and interests of users, the provider may be subject to a rectification order within a prescribed period, a warning or fines ranging from RMB500 to RMB10,000.

REGULATIONS RELATING TO ALGORITHM GOVERNANCE

The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation (the "**Algorithm Recommendation Provisions**") implement classification and hierarchical management for algorithm-based recommendation service providers based on various criteria. The Algorithm Recommendation Provisions also require the algorithmic

recommendation service providers to establish and improve the management systems and technical measures for algorithm mechanisms and to provide users with options that will not target their personal profiles or convenient options to close algorithmic recommendation services.

According to the Provisional Administrative Measures for Generative Artificial Intelligence Services, a generative AI service provider shall assume the responsibility of the producer of network information content in accordance with the law and fulfill the obligations of network information security. If personal information is involved, the provider shall assume the responsibility of the personal information processor according to the law, and fulfill the obligation of personal information protection.

According to the Measures for Identifying AI-Generated Synthetic Content, providers of online information services shall, as required, add explicit identifiers to AI-generated synthetic content, embed implicit identifiers in the file metadata of such content, and standardize the dissemination activities of AI-generated synthetic content.

Pursuant to the provisions of the Provisional Measures for the Management of Generative Artificial Intelligence Services, the Measures for the Identification of Artificial Intelligence-Generated Synthetic Contents and other AI related Regulations ("**AI Regulations**"), the AI Regulations are applicable to service providers that use generative artificial intelligence technology to provide services generating content such as text, images, audio, and video to the public within the People's Republic of China. As we provide text generation services to our corporate clients by accessing large models that have been filed by domestic third parties as well as our self-developed large models, we are deemed to be providing generative artificial intelligence services to the public within the PRC. Our PRC Legal Advisors are of the view that we should be subject to the AI Regulations.

We have already added labels to our generated content in accordance with the requirements of the Measures for the Identification of Artificial Intelligence-Generated Synthetic Contents. Our PRC Legal Advisors are of the view that the Measures for the Identification of Artificially Generated and Synthesized Content, will not have a material impact on us.

The AI Regulations set forth specific compliance requirements for aspects such as algorithm filing, security assessment, training data processing activities, data labeling, service transparency, labeling of generated content, and content compliance. During the Track Record Period and up to the Latest Practicable Date, we had completed the algorithm filing procedures for the generative and synthesis categories of our self-developed YonGPT large model in accordance with the AI Regulations and the requirements of the regulatory authorities, on February 18, 2024, and completed the security assessment for the relevant services as required. Furthermore, following verbal consultation and confirmation with the regulatory authorities, we are not required to undergo the large model filing procedures based on the nature of providing services to corporate clients. We have also adopted compliance measures in aspects such as training data processing activities, data labeling, service transparency, labeling of

generated content, and content compliance that are in line with the aforementioned PRC regulations concerning generative artificial intelligence services. Our PRC Legal Advisors have conducted a review of our compliance with the AI Regulations, including the relevant requirements applicable to the development and operation of large models. Based on their review, they are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have complied in all material respects with all applicable AI Regulations. Based on the due diligence conducted by the Joint Sponsors and the view of the Company's PRC Legal Advisors above, nothing material has come to the Joint Sponsors' attention that contradicts the above in relation to the Company's compliance with all applicable AI Regulations during the Track Record Period and up to the Latest Practicable Date.

We have adopted following internal control measures relating to artificial intelligence:

- We use open-source datasets and internal knowledge bases for model training. To ensure the quality of our training data, we have acquired content compliance screening tools and have assigned dedicated personnel to screen the training data to enhance its authenticity, accuracy, objectivity, and diversity.

- We have formulated the Yonyou Group Artificial Intelligence Data Labeling Standards to conduct quality assessments of data labeling and verify the accuracy of the labeled content through sampling. We also provide necessary training to our labeling personnel and supervise and guide them to carry out the labeling work in a standardized manner.

- To prevent discrimination based on ethnicity, religion, etc., from arising in the processes of algorithm design and service provision, we have formulated the YonBIP Algorithm Security Management Standards. We conduct regular self-assessments of the algorithm systems, and we have also prescribed emergency plans for algorithm security incidents, defined types of algorithm violations and their corresponding severity levels, and penalize relevant individuals who have violated the rules as required.

- To ensure content security, our large models are connected to a dedicated content security platform to intercept illegal and non-compliant content entered by users.

REGULATIONS RELATING TO DATA, CYBER AND INFORMATION SECURITY

According to the Cybersecurity Law of the PRC, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard cybersecurity in conducting business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by law and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

The PRC Data Security Law stipulates the measures to support and promote data security and development, to establish and optimize the national data security management system, and to clarify organizations' and individuals' responsibilities in data security.

Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that purchase network products and services and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the Cybersecurity Review.

The Regulations on the Administration of Cyber Data Security further reiterates the data protection obligations of data processors and contains provisions regarding cybersecurity review, as well as the identification and declaration of important data.

The Personal Information Protection Law of the PRC stipulates the scope of personal information and the ways of processing personal information, establishes rules for processing personal information and for providing personal information to overseas recipients, and clarifies the individual's rights and the processor's obligations in the process of personal information processing.

The CAC promulgated the Security Assessment Measures for Data Provision Abroad, pursuant to which a data processor shall declare the security assessment of cross-border data transfer when the personal information or important data it collects and generates in the course of its business operation in China is provided to an overseas receiver under one of the following circumstances: (i) The data processor provides important data abroad; (ii) the critical information infrastructure operator or the data processor that has processed the personal information of over one million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of cross-border data transfer is required by the national cyberspace administration.

The MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (for Trial Implementation), which applies to the data processing activities in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field.

The CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flows, which specifies the circumstances where it is not required to apply for security assessment for data to be provided abroad, to conclude a standard contract for personal information to be provided abroad or to pass the certification for personal information protection.

REGULATIONS RELATING TO QUALIFICATION FOR INTEGRATION OF CONFIDENTIAL INFORMATION SYSTEMS

According to the Measures for the Administration of Qualification for Integration of Confidential Information Systems, the Qualification for Integration of Confidential Information Systems (the "**Qualification**") refers to the legal qualification granted by the administrative department for confidentiality to enterprises and public institutions to engage in the integration business of confidential information systems. Enterprises and public institutions engaged in the integration business of confidential information systems shall obtain the Qualification. The Qualification for classified integration is divided into Class A and Class B. Class A qualified units can engage in top-secret, confidential and secret classified integration business. Units with Class B qualifications can engage in classified and secret level classified integration business. Where an entity engages in classified integration business without the permission of the administrative department for confidentiality, the administrative department for confidentiality shall order it to stop the illegal act, and the state secret carriers illegally obtained or held shall be confiscated. If there are illegal gains, the market supervision and administration department shall confiscate the illegal gains. If a crime is constituted, criminal responsibility shall be pursued in accordance with the law. The applying entity shall establish a sound internal management and information disclosure system. Without the approval of the relevant competent department of the State Council or the relevant competent department of the provincial people's government, foreign investors shall not come into contact with or know state secret information.

The applicant for confidential system integration qualifications shall have no direct foreign investment and the ultimate foreign ownership in the applicant shall not exceed 20%. Additionally, neither the applicant nor its shareholders' actual controller may be foreign investors, and ultimate foreign ownership in the parent company of the applicant shall not exceed 20%.

REGULATIONS RELATING TO PRODUCT LIABILITY

The Product Quality Law of the PRC (the "Product Quality Law") sets out the requirements to strengthen quality control of product and the measures that sellers shall adopt to maintain the quality of products for sale. Pursuant to the Product Quality Law, sellers shall establish and implement purchase inspection and acceptance system and verify the product qualification certificate and other marks. Sellers shall not mix impurities or imitations into products, or take counterfeit goods as genuine ones, defective products as good ones, or substandard products as standard ones.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the PRC, the department in charge of foreign trade under the State Council shall be responsible for all foreign trade work throughout country, and work with other relevant departments under the State Council to formulate, adjust and issue a catalogue of goods and technologies that are restricted or prohibited from import and export.

According to the Notice on Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods and the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC, a consignee or consignor of imported or exported goods and customs declaration enterprises that apply for filing shall obtain market entity qualifications and are not required to complete the record-filing registration procedures for foreign trade operators.

REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION PERMITS

Land Use Rights

According to the Land Administration Law of the PRC, lands owned by the State might be transferred or allotted to construction entities or individuals in accordance with the law. According to the Interim Regulations on Real Estate Registration, the real estate registration shall be conducted by the real estate registration authorities of the people's government at or above the county level.

The Interim Regulations on Real Estate Registration and the Implementing Rules of the Interim Regulations on Real Estate Registration provide that, among others, the state implements a uniform real estate registration system.

Construction Land Planning Permit

According to the Urban and Rural Planning Law of the PRC (the "**Urban and Rural Planning Law**"), a Construction Land Planning Permit is required for the right to use the State-owned land acquired by transfer and allocation.

Construction Work Planning Permit

According to the Urban and Rural Planning Law, to build any building, structure, road, pipeline or other engineering project within a city or town planning area, the relevant construction entity or individual shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department of the people's government at the municipal or county level or to the people's government of town as recognized by the people's government of a province, autonomous region or municipality directly under the Central Government.

Construction Work Commencement Permit

According to the Construction Law of the PRC, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit to a competent construction administrative department of the people's government at or above the county level of the place where the project is located pursuant to relevant

regulations, except for small projects below the limit determined by the construction administrative authorities of the State Council. Units in charge of construction should start to build the projects within three months since obtaining construction licenses.

According to the Regulations on the Administration of Construction Quality, a construction entity commencing the project without obtaining the construction work commencement permit or approvals for its construction commencement report, shall be ordered to terminate the construction work, carry out remedial actions within a prescribed time limit and pay a fine of no less than 1% but not exceeding 2% of the contractual project price.

Inspection and Acceptance on Completion of Construction Projects

According to the Regulations on the Administration of Construction Quality and the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures, a construction project shall not be delivered for use unless it has passed the acceptance checks. The construction entity should file a record to a competent construction administrative department of the people's government at or above the county level of the place where the project is located within 15 days from the day when the construction project passes the acceptance checks.

REGULATIONS RELATING TO LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental prices, rental and repair liabilities, and other rights and obligations of both parties. In addition, pursuant to the Law on Administration of Urban Real Estate of the PRC and the Administrative Measures on Leasing of Commodity Housing, both lessor and lessee are required to register the lease within 30 days from execution of the property lease contract with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

According to the Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. If the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid. In addition, where the mortgaged property has been leased and the possession thereof has been transferred before the creation of the mortgage, the previously established leasehold interest will not be affected by the subsequent mortgage.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC, as well as the Implementation Rules for the Patent Law of the PRC. According to the PRC Patent Law and its implementation rules, the duration of a patent right for inventions, utility models and designs shall be 20 years, 10 years and 15 years, respectively, all commencing from the application date, except where no annual fee for the patent has been paid as required, or the patent owner has given up its patent by a written declaration.

Copyright

The Copyright Law of the PRC specifies that works of Chinese citizens, legal persons or other organizations, namely ingenious intellectual achievements in the fields of literature, art and science that can be presented in a certain form, whether published or not, shall enjoy the copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction. On May 30, 1991, the State Council further promulgated the Implementation Regulations of the Copyright Law of the PRC.

Trademark

According to the Trademark Law of the PRC as well as the Implementation Regulation of the PRC Trademark Law, registered trademarks are trademarks approved and registered by the Trademark Office of China National Intellectual Property Administration. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. Registered trademarks are valid for ten years commencing from the date of registration, unless otherwise revoked by the Trademark Office. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal in accordance with the requirements. The period of validity for each renewal of registration shall be ten years commencing from the next day of the expiration of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

Domain Name

According to the Administrative Measures for Internet Domain Names, the principle of "first to file" is adopted for domain name registration services. The applicant for domain name registration shall provide the agency of domain name registration with true, accurate and complete information about the domain name holder's identity for registration purpose and enter registration agreements with domain name registration service providers. Upon the completion of the registration process, the applicant will become the holder of the relevant domain name.

REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING FUND

Pursuant to the Labor Law of the PRC (the "**Labor Law**"), the Labor Contract Law of the PRC (the "**Labor Contract Law**") and the Implementation Regulations of the Labor Contract Law of the PRC, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. Employers must establish a system for labor safety and sanitation that strictly abide by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

According to the Social Insurance Law of the PRC and the Interim Regulations on Collection and Payment of Social Insurance Premiums, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases, if the employer and the employee agree or the employee undertakes that social insurance premiums need not be paid, the court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance premiums in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law, the court shall support such claims in accordance with the law.

According to the Administrative Regulations on Housing Provident Funds, employers are required to make contributions to housing provident funds for their employees. Any entity fails to make payment of housing provident fund within the time limit or has shortfall in payment of housing provident fund will be ordered to make the payment or makeup the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court. Each employee can only have one housing provident fund account. The contribution ratio of employee and employer's housing provident fund shall not be less than 5% of the employee's monthly average salary in the previous year. Cities with favorable conditions can appropriately the contribution ratio.

REGULATIONS RELATING TO TAX

Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and the Regulations on the Implementation of EIT Law, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. High and new technology enterprises that need the support of the country are entitled to enjoy the reduced enterprise income tax rate of 15%.

Value-added Tax ("VAT")

According to the Provisional Regulations on Value-Added Tax of the PRC together with the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax.

According to the Value-Added Tax Law of the PRC, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT, and shall pay VAT in accordance with this Law.

REGULATIONS RELATING TO OVERSEAS DIRECT INVESTMENT

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions, upon obtaining approval for overseas investment, an enterprise in mainland China shall apply for foreign exchange registration for its overseas direct investments. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the Measures for the Administration of Overseas Investment, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises, the investing activities of enterprises in mainland China such as acquiring overseas ownerships, controlling rights, operating and management rights and other relevant interests by way of investing assets and interests or providing financing and guarantees to control its overseas enterprises, either directly or indirectly, are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects. Outbound investment projects that involve sensitive countries and regions or sensitive industries shall be subject to administration of verification and approval by the NDRC and non-sensitive outbound investment projects shall be subject to administration by record-filing. For non-sensitive projects of US$300 million or above invested by local enterprise in mainland China or carried out by overseas enterprises controlled by them, the investors shall file with the NDRC and non-sensitive outbound investment projects, of which the investment amount of investors in mainland China is less than US$300 million (exclusive) shall file with the provincial counterpart of the NDRC.

REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Foreign Exchange Administration Regulations of the PRC, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated banks is obtained.

According to the Notice on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign exchange capital and external debts and funds recovered from overseas listing) may convert from foreign currency into RMB on a self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under the domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the Notice on Further Promoting Cross-border Trade and Investment Facilitation together with the Notice on Further Deepening the Reform to Facilitate Cross-border Trade and Investment, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to the law on the condition that the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity

of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The concerned bank shall conduct spot checking in accordance with the relevant requirements.

Pursuant to the Notice on Issues Concerning the Administration of Foreign Exchange in Overseas Listing, a domestic company shall, within 15 working days from the date of the end of its overseas listing, register the overseas listing with the administration of foreign exchange at the place of its establishment. The proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the relevant content included in the document and other disclosure documents.

According to the Notice on Optimizing Foreign Exchange Management to Support the Development of Foreign Businesses, eligible enterprises are allowed to use revenue under capital accounts, such as capital funds, foreign debt offering proceeds, and remitted foreign listing proceeds for domestic payments without providing supporting materials to the bank in advance for authenticity verification; provided that the use of funds should be true, in compliance with applicable rules and conforming to the current administrative regulations for use of revenue from capital accounts. Relevant banks should conduct spot checks in accordance with relevant provisions.

REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

The principal regulations governing dividends distributions by companies is the Company Law. PRC companies are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital. PRC companies are not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS RELATING TO OVERSEAS LISTING

The Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies regulates overseas securities offering and listing activities by domestic companies in direct or indirect form, which provides that Chinese companies that seek to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC and report relevant information to the CSRC, and the filing shall be submitted within three working days after the application for an initial public offering is submitted.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the "**Archives Rules**"), in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services,

are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. According to the Archives Rules, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures.

OVERVIEW

Our history can be traced back to 1988, when Yonyou Financial Software Service Agency (Shuangyushu, Haidian District, Beijing) (北京市海澱區雙榆樹用友財務軟件服務社), the predecessor of our Company, was founded focusing on the development of financial and accounting software. Over the past three decades, we have built a strong foundation in China and expanded into overseas markets since 2003, emerging as a leading provider and a trusted partner of enterprise software and intelligent services. Throughout our journey, we have remained committed to product and technological innovation, driving business transformation and contributing to the continuous advancement of China's enterprise software and intelligent service industry.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table sets forth our key corporate and business development milestones:

Year	Milestones
1988	Yonyou Financial Software Service Agency (Shuangyushu, Haidian District, Beijing) was established.
1998	We launched our first ERP product.
1999	Our Company was converted to a joint stock limited company.
2001	Our Company was listed on Shanghai Stock Exchange (stock code: 600588).
2001	We were recognized for the first time as a "Key Software Enterprise within the National Planning Layout (國家規劃佈局內重點軟件企業)" by NDRC, MIIT, MOFCOM, and SAT.
2003	We embarked on our overseas business expansion with the establishment of our international headquarters in Hong Kong.
2020	We launched YonBIP, the industry's first integrated digital and intelligent platform and software for enterprises, positioned as our business innovation platform.
2022	We launched Yonyou BIP 3, achieving breakthroughs in platform technology, application architecture and service capability.
2023	We launched YonGPT, the industry's first large enterprise-application AI model.
2025	We introduced the Enterprise AI, empowering enterprises with cutting-edge digital intelligence, scenario-driven precision, and tailored solutions to meet the diverse demands of digital and intelligent transformation.

OUR MAJOR SUBSIDIARIES

Since our inception, we have been continuously expanding our business and, as of the Latest Practicable Date, operated over 100 subsidiaries to ensure the rapid and effective execution of our strategies.

Details of the Major Subsidiaries of our Company which, among other things, made a material contribution to our results of operations during the Track Record Period, are set out below.

	Name	Principal business activities	Date and place of establishment
1.	Chanjet	Provision of software, digital solutions and intelligent services to micro and small-scale enterprises	March 19, 2010, PRC
2.	Yonyou Auto	Provision of software, digital solutions and intelligent services	March 13, 2003, PRC
3.	Yonyou Fintech	Provision of software, digital solutions and intelligent services	August 3, 2004, PRC
4.	Seentao Tech	Provision of software, digital solutions and intelligent services	April 30, 2011, PRC
5.	Beijing Yonyou Government Affairs Software Co., Ltd. (北京用友政務軟件股份有限公司) ("**Yonyou Government Affairs**")	Development and sales of software, digital solutions and intelligent services	December 24, 2002, PRC
6.	Xiamen Yonyou Tobacco Software Co., Ltd. (廈門用友煙草軟件有限責任公司) ("**Xiamen Yonyou Tobacco**")	Provision of software, digital solutions and intelligent services	August 23, 2005, PRC
7.	Shanghai Dayee Cloud Computing Co., Ltd. (上海大易雲計算有限公司) ("**Dayee Cloud**")	Development and sales of cloud-based digital solutions and intelligent services	May 25, 2004, PRC
8.	Beijing Yonyou Xinfushe Cloud Technology Co., Ltd. (北京用友薪福社雲科技有限公司) ("**Yonyou Xinfushe**")	Provision of comprehensive digital and intelligent enterprise workforce management solutions, including socialized shared workforce cloud platforms and settlement services	January 29, 2016, PRC
9.	Beijing Yonyou Shuneng Technology Co., Ltd. (北京用友數能科技有限公司) ("**Yonyou Shuneng**")	Provision of software, digital solutions and intelligent services	May 27, 2015, PRC
10.	Yonyou Guangxin Network Technology Co., Ltd. (用友廣信網絡科技有限公司) ("**Yonyou Guangxin**")	Development and sales of software, digital solutions and intelligent services	May 14, 2015, PRC
11.	YONYOU (HONGKONG) COMPANY LIMITED (用友軟件(香港)有限公司) ("**Yonyou HK**")	Development and sales of software, digital solutions and intelligent services	June 27, 2003, Hong Kong
12.	Guangdong Yonyou Software Co., Ltd. (廣東用友軟件有限公司) ("**Guangdong Yonyou**")	Development and sales of software, digital solutions and intelligent services	May 6, 1994, PRC
13.	Chongqing Yonyou Software Co., Ltd. (重慶用友軟件有限公司) ("**Chongqing Yonyou**")	Development and sales of software, digital solutions and intelligent services	February 8, 1996, PRC
14.	Tianjin Yonyou Software Technology Co., Ltd. (天津用友軟件技術有限公司) ("**Tianjin Yonyou**")	Development and sales of software, digital solutions and intelligent services	May 7, 1996, PRC
15.	Zhejiang Yonyou Software Co., Ltd. (浙江用友軟件有限公司) ("**Zhejiang Yonyou**")	Development and sales of software, digital solutions and intelligent services	May 23, 2005, PRC
16.	Shandong Yonyou Software Technology Co., Ltd. (山東用友軟件技術有限公司) ("**Shandong Yonyou**")	Development and sales of software, digital solutions and intelligent services	October 13, 2006, PRC
17.	Shenzhen Yonyou Software Co., Ltd. (深圳用友軟件有限公司) ("**Shenzhen Yonyou**")	Development and sales of software, digital solutions and intelligent services	October 16, 2006, PRC
18.	Hunan Yonyou Software Co., Ltd. (湖南用友軟件有限公司) ("**Hunan Yonyou**")	Development and sales of software, digital solutions and intelligent services	September 16, 2008, PRC

	Name	Principal business activities	Date and place of establishment
19. . . .	Shanghai Yonyou Government Affairs Software Co., Ltd. (上海用友政務軟件有限公司) ("**Shanghai Yonyou Government Affairs**")	Development and sales of software, digital solutions and intelligent services	July 30, 2003, PRC
20. . . .	Yonyou (Nanchang) Industrial Base Development Co., Ltd. (用友(南昌)產業基地發展有限公司) ("**Yonyou Nanchang**")	Property management and operation of industry bases	September 8, 2009, PRC

Our Company held the entire or majority of the equity interest in the above Major Subsidiaries throughout the Track Record Period.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and Early Development

In 1988, our predecessor, Yonyou Financial Software Service Agency was established in Beijing. In March 1990, our Company was restructured into a limited liability company with an initial registered capital of RMB350,000 and was then renamed as Yonyou Electronic Financial Technology Limited (北京市用友電子財務技術有限公司) in November 1991.

In January 1995, Beijing Yonyou Software (Group) Co., Ltd. (北京用友軟件(集團)有限公司) was established, succeeding Beijing Yonyou Electronic Financial Technology Co., Ltd., with its registered capital further increased to RMB 20 million, owned by Mr. Wang, Mr. Guo and Mr. Wu as to 85%, 10% and 5% respectively.

In December 1999, our Company was converted to a joint stock company with limited liability and was renamed as Beijing Yonyou Software Co., Ltd. (北京用友軟件股份有限公司). Following several rounds of equity transfers and capital injections, the registered capital of our Company was increased to RMB75.0 million in December 1999, with Beijing Yonyou Tech, Yonyou Institute, Shanghai Yonyou Tech, Nanjing Yonyou Software Co., Ltd. (南京用友軟件有限公司) (currently known as Shanghai Yibei Management Consulting Co., Ltd. (上海益倍管理諮詢有限公司), "**Shanghai Yibei**") and Shandong Yonyou Software Co., Ltd. (山東用友軟件有限公司) (currently known as Gongqingcheng Youfu Investment Management Partnership Enterprise (Limited Partnership) (共青城優富投資管理合夥企業(有限合夥), "**Gongqingcheng Youfu**"), holding 55%, 15%, 15%, 10% and 5% of the equity interests in our Company, respectively.

Conversion into a Joint Stock Limited Liability Company and Listing on the Shanghai Stock Exchange

In December 1999, our Company was converted from a limited liability company to a joint stock company with limited liability with the registered capital increased to RMB75 million.

In May 2001, we completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 600588) (the "**A-Shares Listing**"). In the A-Share Listing, we issued an aggregate of 25,000,000 A Shares, accounting for 25% of our Company's total share capital immediately following the A-Shares Listing.

Private Placement of A Shares in 2015

As approved by our Shareholders in December 2014 and the CSRC in June 2015, our Company conducted a private placement of our A Shares to raise funds mainly for the development of Yonyou enterprise internet services and other projects. A total of 53,484,602 A Shares were issued in the placement to 7 investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB1.62 billion. Following the completion of the private placement, our Company's total issued share capital increased to 1,459,187,410 A Shares.

Private Placement of A Shares in 2022

As approved by our Shareholders in July 2020 and July 2021, and the CSRC in September 2021, our Company conducted a private placement of our A Shares to raise funds mainly for the development of YonBIP and other projects. A total of 165,835,214 A Shares were issued in the placement to 17 investors, all of whom were Independent Third Parties. The placement raised net proceeds of approximately RMB5.26 billion. Following the completion of the private placement, our Company's total issued share capital increased to 3,436,656,559 A Shares.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Our Company did not carry out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Since 2001, our Company has been listed on the Shanghai Stock Exchange. Our Directors confirmed that, as of the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by the CSRC, Shanghai Stock Exchange or other PRC securities regulatory authorities. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention which would cast doubt on the compliance records of our Company on the Shanghai Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

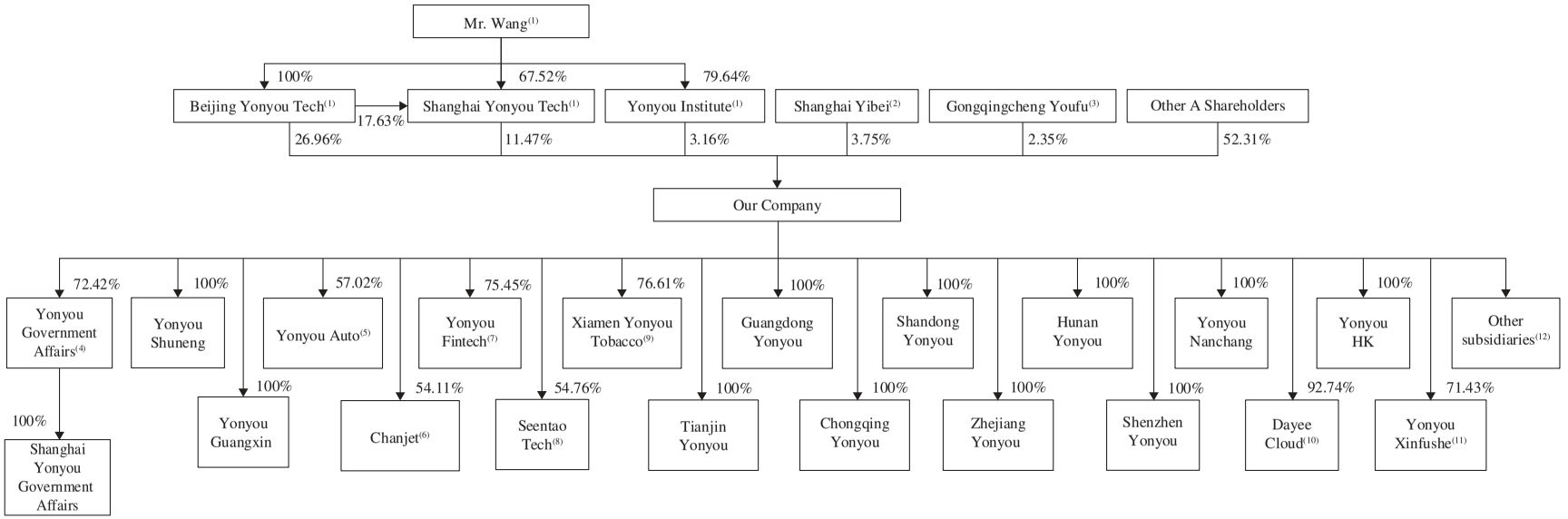
Our Company seeks to [**REDACTED**] on the Hong Kong Stock Exchange to further advance our global expansion strategy, establish an international equity financing platform, better attract overseas [**REDACTED**] and talents, optimize our shareholding structure and enhance our overall competitiveness. See "Business — Our Growth Strategies" and "Future Plans and [**REDACTED**]" in this document for more details.

[**REDACTED**]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group immediately before the completion of the [**REDACTED**], assuming that no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [**REDACTED**]:



Notes:

(1) As of the Latest Practicable Date, our Company was owned as to (i) 26.96% by Beijing Yonyou Tech, a company directly owned as to 100% by Mr. Wang; (ii) 11.47% by Shanghai Yonyou Tech, a company directly and indirectly owned as to 85.15% by Mr. Wang and as to 14.85% by three Independent Third Parties (i.e. CHEN Junli (陳俊麗) (7.88%), ZHANG Xiaoping (張曉平) (5.01%) and ZHANG Ke (章珂) (1.96%)); and (iii) 3.16% by Yonyou Institute, a company directly owned as to 79.64% by Mr. Wang, 12.01% by Mr. Guo and 8.35% by Mr. Wu, respectively. For details of the background of Mr. Wang, see "Directors and Senior Management."

(2) As of the Latest Practicable Date, our Company was owned as to 3.75% by Shanghai Yibei, a company directly owned as to 90% by Mr. Guo and 10% by Mr. GUO Huaiyu (郭懷予), the son of Mr. Guo. For details of the background of Mr. Guo, see "Directors and Senior Management."

(3) As of the Latest Practicable Date, our Company was owned as to 2.35% by Gongqingcheng Youfu, a limited partnership controlled by Mr. Wu as its general partner, with Ms. SUN Yujing (孫玉菁), the spouse of Mr. Wu being its limited partner holding 20% of the partnership interest. For details of the background of Mr. Wu, see "Directors and Senior Management."

(4) As of the Latest Practicable Date, Yonyou Government Affairs was owned as to (i) 5.50% by Chinese Academy of Fiscal Sciences (中國財政科學研究院), an Independent Third Party; and (ii) an aggregate of 22.08% by 17 limited partnerships, each controlled by its general partner Mr. KE Min (柯敏), who is a director of Yonyou Government Affairs.

(5) Yonyou Auto is a company listed on the Sci-Tech Innovation Board of the Shanghai Stock Exchange (stock code: 688479).

(6) Chanjet is a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1588).

(7) Yonyou Fintech is a company listed on the National Equities Exchange and Quotations (stock code: 839483). As of the Latest Practicable Date, Yonyou Fintech was owned as to (i) 8.98% and 4.76% by Beijing Yourong Liheng Investment Management Center (Limited Partnership) (北京友融利亨投資管理中心(有限合夥)) and Beijing Yourong Lifeng Investment Management Center (Limited Partnership) (北京友融利豐投資管理中心(有限合夥)), each controlled by its general partner Mr. LI You (李友), respectively; and (ii) 1.84% by Mr. ZHENG Haiwei (鄭海偉), a director and the general manager of Yonyou Fintech. To the best knowledge of our Directors having made all reasonable enquiries, the remaining shareholders of Yonyou Fintech were Independent Third Parties as of the Latest Practicable Date.

(8) Seentao Tech is a company listed on the National Equities Exchange and Quotations (stock code: 833694). As of the Latest Practicable Date, Seentao Tech was owned as to (i) 7.41% by Mr. CHEN Qiangbin (陳強兵), a director and the general manager of Seentao Tech; (ii) 6.05% by Mr. GUO Yansheng (郭延生), an Independent Third Party; (iii) 4.11% by Yonyou Institute; (iv) 1.24% by TIAN Peng (田鵬), a director of Seentao Tech; (v) 1.03% by Beijing Yonyou Happiness Lianchuang Investment Center (Limited Partnership) (北京用友幸福聯創投資中心(有限合夥)), a subsidiary of our Company; (vi) 0.32% by Mr. ZOU Mengshan (鄒蒙山), an employee supervisor of Seentao Tech; and (vii) 0.03% by Mr. LI Weimin (李偉民), the chairman of the supervisory committee of Seentao Tech. To the best knowledge of our Directors having made all reasonable enquiries, the remaining shareholders of Seentao Tech are Independent Third Parties.

(9) As of the Latest Practicable Date, Xiamen Yonyou Tobacco was owned as to (i) 14.59% by Mr. XIAO Hui (肖暉), a director of Xiamen Yonyou Tobacco; and (ii) 8.80% by Xiamen Youchengkuan Investment Partnership (Limited Partnership) (廈門友誠寬投資合夥企業(有限合夥)), a limited partnership controlled by its general partner Mr. SUN Yongjun (孫永軍), a former director of Xiamen Yonyou Tobacco who resigned in June 2026.

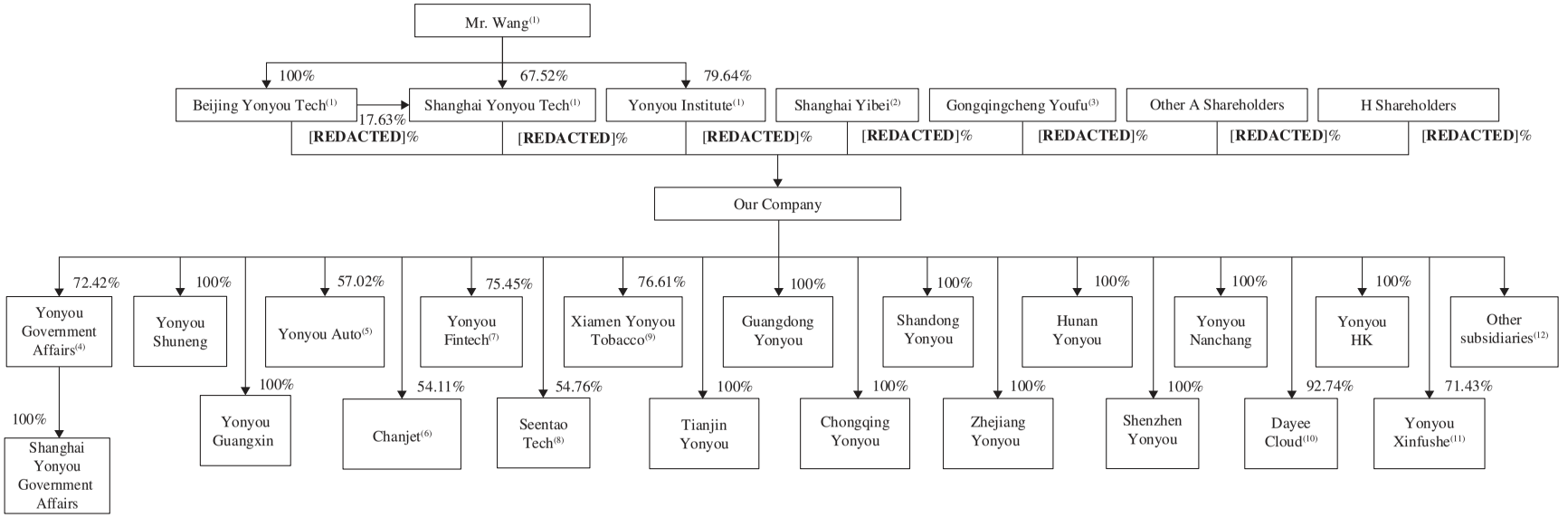
(10) As of the Latest Practicable Date, Dayee Cloud was owned as to 7.26% by Yonyou Institute.

(11) As of the Latest Practicable Date, Yonyou Xinfushe was ultimately owned as to an aggregate of 28.57% by four limited partnerships, each controlled by its general partner Mr. ZHANG Guoliang (張國良), the general manager of Yonyou Xinfushe.

(12) As of the Latest Practicable Date, we had over 100 subsidiaries, including our Major Subsidiaries and other ones incorporated in various jurisdictions.

Shareholding and Corporate Structure Immediately upon Completion of the [REDACTED]

The following chart depicts a simplified shareholding and corporate structure of our Group immediately upon completion of the [**REDACTED**], assuming that the [**REDACTED**] are not exercised and no changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [**REDACTED**]:



Note: See "— Shareholding and Corporate Structure Immediately Before the [**REDACTED**]."

OVERVIEW

Who We Are

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

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

What We Do

Our Business Model

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

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

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

Our Offerings

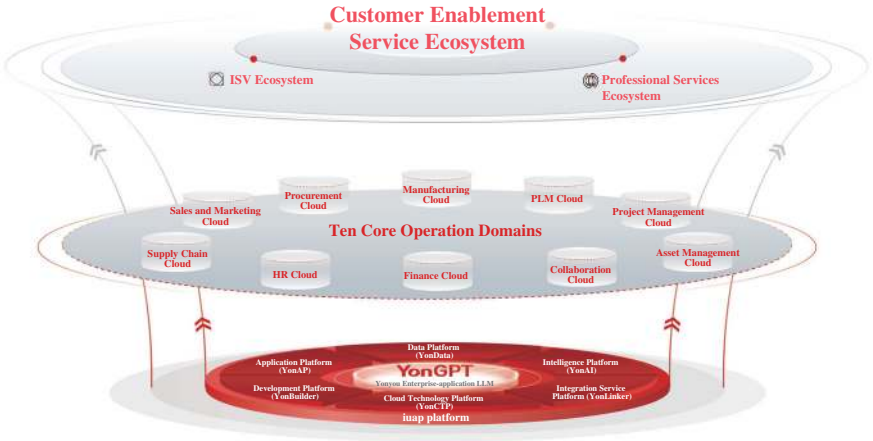
We offer a diverse portfolio of enterprise software and intelligent services, including cloud-based services and software products. Our cloud-based services primarily comprise our Yonyou BIP product series, *U9 cloud*, products offered by Chanjet and our industry-specific solutions.

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

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

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

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



Our AI Capabilities

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

- *Unified AI Infrastructure*. With Yonyou BIP's integrated technology infrastructure, Yonyou BIP Enterprise AI unifies fragmented data and disparate systems, and is fully compatible with a range of domestically-developed general-purpose LLM, including DeepSeek, Doubao, and Qwen through application programming interfaces ("**API**"). Additionally, it leverages the advanced capabilities of YonGPT, designed specifically for enterprise operations and management. Together, these elements create an intelligence platform that combines general AI capabilities with deep industry know-how.

- *AI-powered enterprise operations*. Yonyou BIP Enterprise AI enables a suite of AI-powered, full-scenario intelligent enterprise applications and services that target Ten Core Operation Domains. These capabilities empower enterprises to enhance efficiency, reduce operational costs, drive precision operations, and strengthen risk management.

- *AI agents*. Yonyou BIP Enterprise AI, consisting of advanced AI agents, supports intelligent planning, dynamic execution and autonomous decision-making, and enables a shift of enterprise operations from being human-drive to agent-driven.

Our Market Opportunities

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

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

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

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

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

Our Financial Performance

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

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

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

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

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

OUR COMPETITIVE STRENGTHS

Product Leadership Underpinned by Innovation

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

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

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

Industry-leading AI Capabilities

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

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

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

Extensive and Highly Engaged Customer Base

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

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

Integrated Ecosystem Fostering Shared Success

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

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

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

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

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

Forward-Looking Management and Deep Talent Reserve

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

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

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

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

OUR GROWTH STRATEGIES

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

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

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

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

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

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

Global Expansion 2.0: Further Expanding Overseas Presence and Customer Coverage

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

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

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

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

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

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

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

Delivery Innovation: Transforming Delivery Models with Intelligent Delivery Systems

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

OUR PRODUCTS

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

Our Cloud-based Services

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

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

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

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

Product	Services and key functions	Value proposition	Target customers	Deployment methods	Pricing	Technologies adopted
Yonyou BIP . . . . *YonBIP*	*YonBIP* and *YonSuite* help businesses manage their daily operations and business workflows. They support a broad range of business activities — such as finances, HR, sales, procurement, and other essential functions — across various operational streams. *YonBIP* and *YonSuite* also integrate intelligent capabilities, including AI agents, to automate task handling and support data-driven decision-making.	• *YonBIP* offers robust data integration, real-time processing, and intelligent analytics capabilities, enabling businesses to adopt AI seamlessly while handling massive volumes of data and transactions efficiently. • *YonBIP* includes hundreds of pre-built applications and intelligent services that can be flexibly deployed and combined based on customer needs, covering a wide range of enterprise functions and scenarios. • *YonBIP* supports enterprise needs across different growth stages, ensuring long-term product relevance and continuity. • Through tailored implementation steps, our products are designed to adapt to customers' unique operational scenarios and business requirements.	Large enterprises	Public cloud, dedicated cloud, private cloud, on-premises deployment	• License fee • Subscription fee • Fees for ancillary products and services, including implementation services, maintenance services and hardware	Platform-based architecture (our iuap platform); cloud computing, big data, AI, cloud-native architecture, AI-driven architecture combining large and small models
YonSuite		• Fast, flexible, and cost-efficient public cloud deployment. • Highly standardized designs enable efficient implementation and simplified maintenance. • Mature and remote product delivery reduces the need for on-site customization and speeding up onboarding.	Medium-sized enterprises	Public cloud	• Subscription fee • Fees for ancillary services, such as implementation services	Platform-based architecture (our iuap platform); cloud computing, big data, AI, cloud-native architecture, AI-driven architecture combining large and small models
U9 cloud	*U9 cloud* is mainly for medium-sized manufacturing enterprises, providing support for managing production, operations, and related business functions.	• Strong adaptability to complex manufacturing environments. • Advanced business control and coordination, enabling seamless collaboration across departments and organizations to achieve agile manufacturing and reduce delays and redundancies. • Intelligent production planning and execution. • Scalable architecture, adaptable to evolving product complexity and business scale.	Primarily medium-sized manufacturing enterprises	Dedicated cloud, private cloud, on-premises deployment	• License fee • Subscription fee • Fees for ancillary products and services, including implementation services, maintenance services and hardware	Technology stack integrated with emerging technologies such as AI and Internet of Things; fully service-oriented architecture with a hybrid cloud framework
Chanjet products	Standard products offered by Chanjet to MSEs that provide digital and intelligent management of finance and tax, production, supply, and sales and marketing.	Simplified, cost-effective, out-of-the-box and scalable tools to support daily needs of MSEs.	MSEs	Public cloud, dedicated cloud	• Subscription	Cloud computing, cloud-native architecture, micro-service architecture

Yonyou BIP

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

Advantages of Yonyou BIP

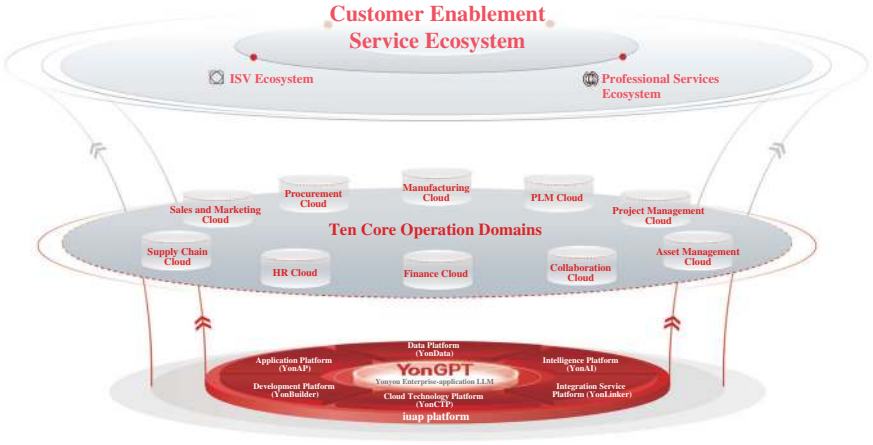
As our new-generation cloud-based service offering, Yonyou BIP adopts integrated design and is built upon advanced technology, data, and application architectures. Adhering to the concept of digital and intelligent transformation, it provides a unified technology infrastructure for enterprises through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

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

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

Architecture of Yonyou BIP

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



The iuap platform

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

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

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

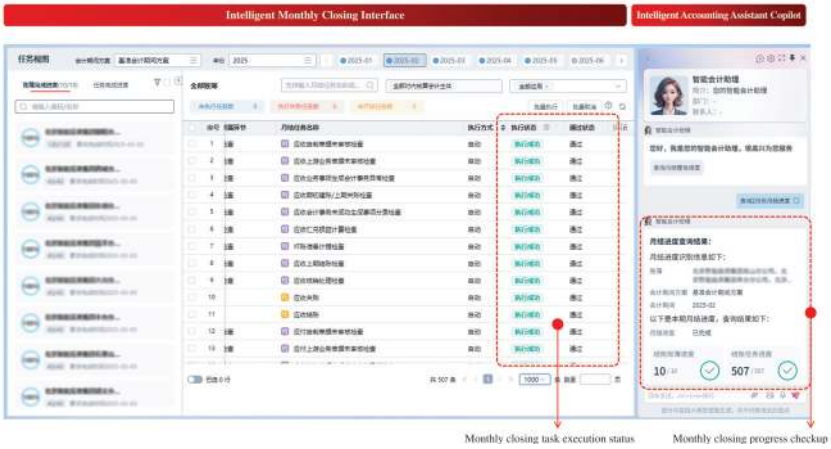
- *YonAI and YonGPT*. The intelligence platform, YonAI, together with our enterprise-application LLM, YonGPT, delivers structured, platform-based intelligent services that enable enterprises to integrate and scale AI capabilities across their operations. These services include intelligent human-computer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

Comprehensive domain-specific applications

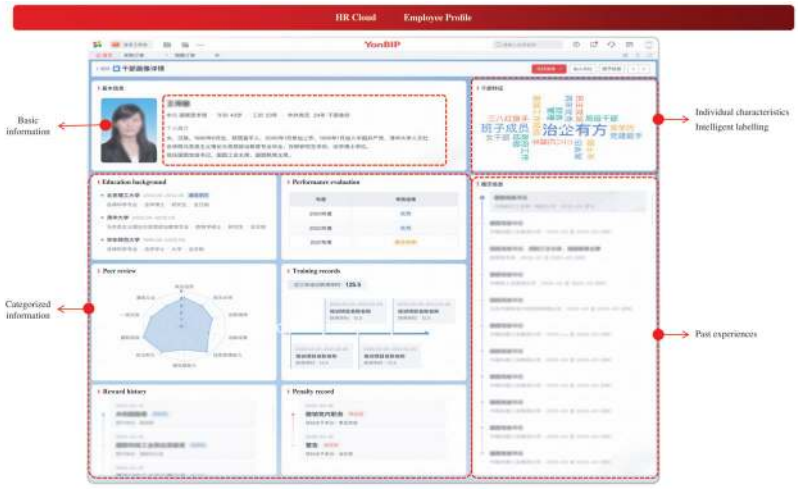
Yonyou BIP enables a full-spectrum suite of domain-specific applications, covering Ten Core Operation Domains and over 700 innovation-driven business scenarios. It is designed to address enterprises' needs for integrated application solutions. With the broadest application coverage in enterprise operations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

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

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



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



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

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

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

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

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

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

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

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

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

Customer enablement ecosystem

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

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

Yonyou BIP Product Series

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

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

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

YonBIP

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

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

Case studies — Customer A

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

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

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

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

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

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

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

Case studies — Customer B

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

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

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

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

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

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

YonSuite

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

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

Case studies

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

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

Our Other Cloud-based Services

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

U9 cloud

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

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

Cloud-based services for MSEs

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

Our industry-specific solutions

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

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

Our Software Products

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

Others

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

KEY OPERATING METRICS

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

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

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

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

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

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

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

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

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

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

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

OUR AI CAPABILITIES

Our AI Strategies

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

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

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

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

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

Our AI Offering

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

Our AI Infrastructure

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

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

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

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

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

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

Our AI Applications

YonMate (智友) — AI Agent

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

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

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

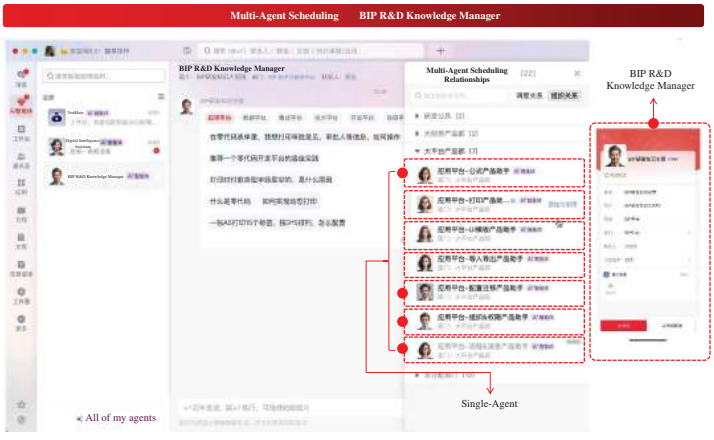
Natural interaction. YonMate supports multi-modal input methods such as voice, photo capture, and multi-turn dialogue, significantly improving the convenience and flexibility of information input. YonMate also features cross-system operability, allowing it to extract necessary input information from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

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

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

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

The following user interface screenshot illustrates functions of YonMate:



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

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

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

YonKnow (友智库)

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

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

YonBI — Intelligent Analytics

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

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

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

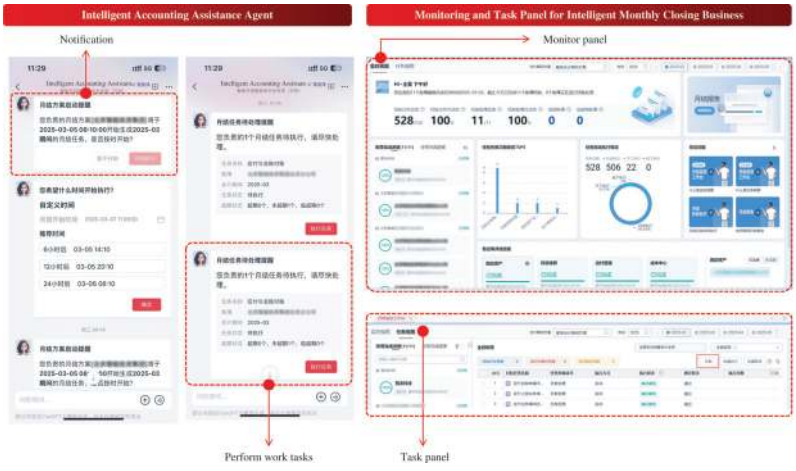
YonZone — Intelligent Collaboration

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

Domain-specific Applications

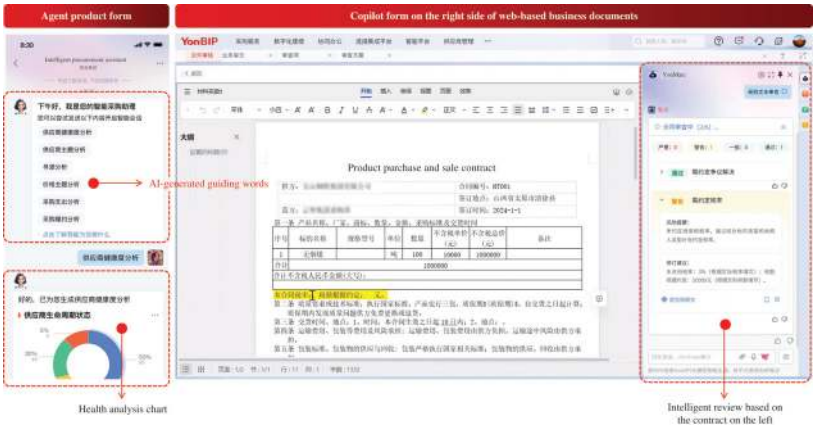
Yonyou BIP deeply integrates AI into core business and management scenarios. A range of intelligent agents have been launched and embedded into core operational processes, such as the intelligent procurement assistant, enterprise performance assistant, talent discovery assistant, and intelligent sales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

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



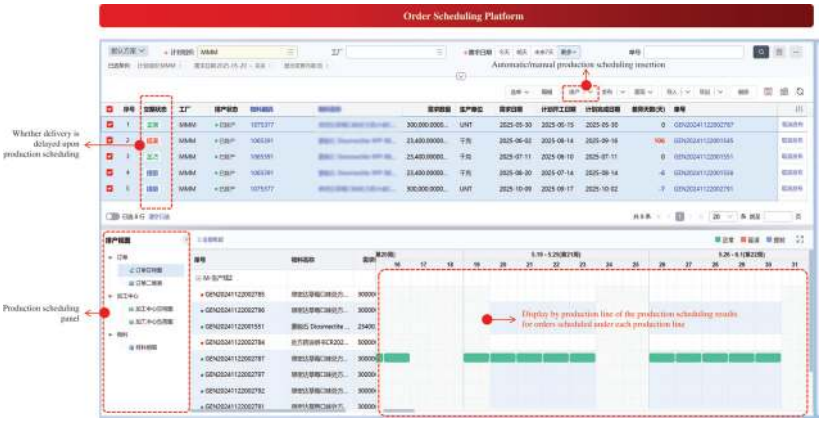
Enhancing human resources process efficiency. HR Cloud integrates AI into human resources management scenarios, enabling timely identification of business risks through intelligent early warning mechanisms and effectively replacing tedious manual operations. For instance, the employee service assistant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

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



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

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



RESEARCH AND DEVELOPMENT

Our R&D Methodology

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

Our R&D Capabilities

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

Our R&D Processes

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

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

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

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

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

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

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

Our R&D Projects

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

The Iuap Platform

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

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

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

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

AI Technologies

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

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

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

Domain-specific Technologies

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

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

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

SALES AND MARKETING

Sales and Delivery

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

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

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

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

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

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

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

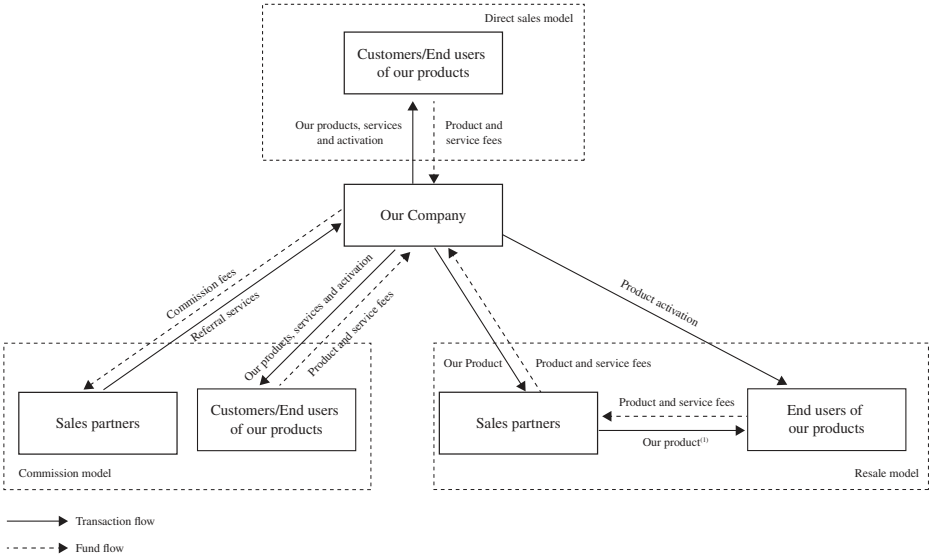
Contract Terms and Service Process with Sales Partners

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

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

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

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



Note:

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

Contract Terms with Professional Service Partners

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

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

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

Customer Success — After-sales Services

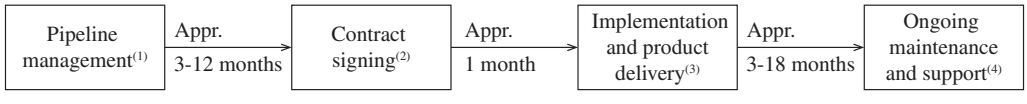
We help customers achieve their business objectives, deliver superior operational performance, and gain competitive advantages in their industries, creating a win-win relationship for both our customers and us. We implement our customer success initiatives through our after-sales maintenance services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

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

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

Business Flow

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



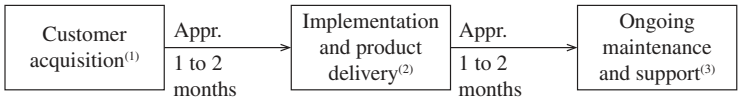
(1) We identify target customers and formulate business plans. We discover their digital transformation demands and perform feasibility study. We conduct in-depth research into the customers' goals and challenges and design tailored solutions accordingly. During this stage, we also commence negotiations regarding pricing and prepare bidding documents, if needed.

(2) We finalize contractual terms with customers, and execute agreements with the customers.

(3) We carry out product implementation and delivery. The implementation process is executed by our in-house team with the assistance of professional service partners.

(4) This stage starts once the customers accept product delivery. We provide 7/24, multi-tiered post-delivery maintenance and support services, including AI-powered remote service agents and customer success service team. We regularly conduct follow-up system checks and reviews.

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



(1) We generate customer leads based on customer size, industry and location. Our sales personnel conduct preliminary visits, explore customer demands and present potential solutions.

(2) We, or our professional service partners, carry out relatively standard product implementation and delivery.

(3) We provide 7/24, multi-tiered post-delivery maintenance and support services, including AI-powered remote service agents and customer success service team. We regularly conduct follow-up system checks and review.

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

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

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

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

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

Our Global Footprint

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

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

Impact of Geopolitical Risks

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

Pricing

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

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

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

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

Marketing and Branding

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

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

Seasonality

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

Our Customers

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

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

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

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

OUR SUPPLIERS

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

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

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

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

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

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

OVERLAPPING CUSTOMERS AND SUPPLIERS

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

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

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

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

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

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

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

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

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

DATA PRIVACY AND SECURITY

Type of Data and Scope of Usage

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

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

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

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

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

Infrastructure Stability and Data Security

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

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

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

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

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

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

Data Protection

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

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

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

COMPETITION

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

INTELLECTUAL PROPERTY

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

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

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

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

LICENSES, PERMITS AND APPROVALS

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

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

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

EMPLOYEES

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

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

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

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

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

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

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

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

PROPERTIES

Owned Properties

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

Leased Properties

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

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

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

INSURANCE

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

AWARDS AND RECOGNITION

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

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

LEGAL PROCEEDINGS AND COMPLIANCE

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

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

Social Insurance and Housing Provident Fund

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

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

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

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

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

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

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

Xinfushe-Related Matters

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

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

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

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

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Sustainable Development (ESG) Governance Structure

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

Decision-making level: Board Strategy and Sustainable Development Committee	• Research and make recommendations on our long-term development strategy. • Research and make recommendations on our sustainable development (ESG) strategic goals. • Check the progress of execution of our sustainable development (ESG) strategy and goals, review the work report of the Executive Council, and provide feedback and opinions. • Review our annual sustainable development (ESG) report and make recommendations.

Senior management level: Sustainable Development (ESG) Committee.	• Responsible for the specific implementation of our sustainable development (ESG) affairs, reporting to the Board Strategy and Sustainable Development Committee on the implementation of sustainable development (ESG) strategies and decisions, and providing necessary information for research and recommendations on sustainable development (ESG) development.
Executive level: Sustainable Development (ESG) Coordination Group.	• Several coordination groups have been established based on the three dimensions of Environmental, Social and Governance to be responsible for the daily work of the company's sustainable development (ESG), such as coordinating our responsible entities to provide materials for our annual sustainable information disclosure.

Sustainable Development (ESG) Material Issues

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

Environmental Responsibility

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

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

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

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

We operate our data centers based on green and intelligent principles and have adopted energy management rules to institutionalize energy conservation. These rules set energy consumption targets and allocate workloads across data centers for working days and public holidays, helping maintain operational reliability while improving energy efficiency. We also deploy sustainable technologies, including geothermal heat pumps, thermal-storage air conditioning systems, rainwater harvesting, energy-efficient bricks and solar lighting, to support low-carbon operations. In 2025, geothermal heat-pump and thermal-storage air conditioning systems at our Beijing and Jiangxi industrial parks reduced CO_2 emissions by 853.00 tons. Our Hainan site also adopted solar water-heating systems and exterior shading design to reduce building energy consumption, and received Two-Star Green Building Design Certification.

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

Item	Unit	2023	2024	2025	Three months ended March 31, 2026
Total GHG emissions	tCO_2e	26,053.55	17,706.77	13,584.87	4,580.81
Scope 1 GHG emissions	tCO_2e	2,851.91	2,376.08	2,351.04	1,213.85
Scope 2 GHG emissions	tCO_2e	23,201.64	15,330.69	11,233.83	3,366.96

Our Scope 1 GHG emissions decreased from 2,851.91 tCO_2e in 2023 to 2,376.08 tCO_2e in 2024, to 2,351.04 tCO_2e in 2025 and further to 1,213.85 tCO_2e in the three months ended March 31, 2026, and our Scope 2 GHG emissions decreased from 23,201.64 tCO_2e in 2023 to 15,330.69 tCO_2e in 2024, to 11,233.83 tCO_2e in 2025, and further to 3,366.96 tCO_2e in the three months ended March 31, 2026, primarily due to our continuous efforts to switch to electricity from renewable energy sources. This is reflected by the increase in our clean energy consumption from 16,484.00 MWh in 2023 to 26,255.00 MWh in 2024, which further increased to 31,758.70 MWh in 2025 and decreased to 10,640.66 MWh in the three months

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

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

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

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

Data	Company	Unit	2023	2024	2025	Three months ended March 31, 2026
Scope 1 + Scope 2 GHG emissions	The Group	tCO_2e	26,053.55	17,706.77	13,584.87	N/A
	Kingdee International Software Group Company Limited ("Kingdee")		7,452.59	8,315.95	8,249.61	N/A
	WEIMOB INC. ("Weimob")		1,933.70	1,595.55	1,310.97	N/A
Comprehensive energy consumption	The Group	Ton of standard coals	6,629.90	6,217.48	6,085.68	N/A
	Kingdee		–	1,989.12	2,004.04	N/A
	Weimob		522.8	352.62	277.36	N/A

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

Social Responsibility

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

PATH TO PROFITABILITY

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

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

- For our large enterprise customer segment, we launched *YonBIP* and adopted a further differentiated approach based on the complexity and scope of customer needs. This segment can be broadly categorized into the following sub-groups:

  – Top-tier customers: Top-tier customers, especially central SOEs and industry-leading private companies, typically have complex business operations and high requirements for implementation and compatibility testing, which increase product delivery difficulty. Their delivery cycle generally ranges from six to 18 months. Since 2023, we have strategically expanded this segment and recorded a notable increase in contract wins. However, the complexity of their requirements has made implementation more time-consuming and resource-intensive, affecting our overall delivery capacity.

  – Other large enterprise customers: Certain large enterprise customers have sizable operations and relatively high implementation requirements, requiring us to allocate internal delivery resources despite less complex business needs. Their delivery cycle ranges from three to 12 months. Other large enterprise customers typically procure single-module services with limited implementation needs and require fewer internal delivery resources, with delivery cycles ranging from two to six months.

- For medium-sized enterprise customers, we focus on standardized cloud-based services to support scalable customer coverage, including *YonSuite*, which is tailored for this segment. Increased product standardization reduces implementation complexity and shortens delivery cycles, which typically range from two to 12 weeks. Although standardized offerings may have lower average contract value than customized solutions, they significantly reduce implementation workload. We have also increasingly relied on external professional service partners for implementation, allowing us to serve more medium-sized customers while reallocating internal resources to strategically important deliveries.

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

- *Unrealized benefits of developing and engaging with top-tier customers.* We believe our strategic focus on top-tier customers will strengthen our market leadership and support growth over the long term, but it has created short-term challenges. These customers typically have complex business operations and sophisticated product development and implementation requirements, resulting in longer implementation cycles, delayed revenue recognition and higher implementation costs due to the need for specialized personnel and technical support. In addition, allocating sales and service resources to top-tier customers reduced our capacity to cover and implement projects for other large enterprise customers, contributing to decreases in their customer number and revenue. Despite the short-term pressure on revenue and gross margin, we believe the strategic value of securing flagship customers outweighs the initial impact. As our products matured and implementation efficiency improved, cloud-based service revenue from large enterprise customers increased and contributed to overall revenue growth in 2025. With deeper execution experience and more completed high-complexity projects, we expect to further enhance our product and service capabilities and market credibility.

- *Product maturity.* The maturity of our core products directly affects our revenue and margin performance. Since we began large-scale delivery of our new generation cloud-based services in 2023, we have continued to enhance product functions to meet diverse customer needs. This required significant resources for product development and configuration, increasing R&D and implementation costs and affecting profitability. As our products continue to mature through iterative optimization and broader adoption, we expect delivery efficiency and standardization to improve, supporting more favorable unit economics, revenue growth and scalability.

- *Significant upfront investment in R&D initiatives.* The enterprise software and service industry is characterized by substantial upfront R&D investment. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred research and development costs of RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million, respectively, accounting for 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue in the same periods, respectively. While these substantial R&D investments serve as the foundation for our product innovation, business growth, and long-term competitiveness, they have not yet resulted in revenue growth comparable to our R&D investments and contributed to our losses during the Track Record Period.

- *Increases in cost of sales and operating expenses*. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales was RMB4,791.1 million, RMB4,760.3 million, RMB4,589.3 million, RMB830.5 million and RMB798.8 million respectively, accounting for 50.7%, 54.0%, 51.8%, 63.5% and 57.8% of our total revenue in the same periods, respectively. The increase in the cost of sales as a percentage of total revenue from 2023 to 2025 was primarily due to (i) the increased delivery complexity and prolonged delivery cycle attributable to the

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

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

Driving Revenue Growth

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

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

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

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

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

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

- *Expanding customer base*. We plan to expand our customer base across different enterprise segments.

  – Large enterprise customers. A key growth driver among large enterprise customers is their rising demand for AI-enabled enterprise management services. This creates new growth opportunities, as we provide AI-powered services and support customers in upgrading and adapting their IT systems for AI adoption. As our products mature and better address customer needs, we can streamline delivery and reduce required implementation resources. We have also adopted AI-powered internal tools and engaged external professional service partners to further expand delivery capacity. Together, these efforts enable us to undertake more deployments for large enterprise customers and continue expanding our customer base.

  – Medium-sized enterprise customers. We will continue to promote standardized, modular cloud offerings, particularly to address medium-sized enterprise customers' growing demand for AI-empowered services that improve cost savings and operating efficiency. As product maturity and deployment

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

– MSE customers. We aim to expand our reach among MSE customers through simplified SaaS offerings, enhanced self-service onboarding experiences, and digital marketing campaigns targeting high-potential industry clusters. We will also leverage sales partners and online distribution platforms to improve penetration and customer acquisition efficiency.

– Overseas markets. We plan to expand our overseas customer coverage by strengthening collaborations with local partners, particularly those with relevant industry expertise and experience working with leading enterprise software providers. We will also enhance the localization of our product offerings to better address region-specific requirements and improve product maturity in overseas markets. Adhering to our overseas expansion strategy, our overseas revenue increased by 39.3% from RMB218.2 million in 2024 to RMB303.9 million in 2025. Our overseas revenue also increased significantly from RMB34.9 million in the three months ended March 31, 2025 to RMB76.0 million in the three months ended March 31, 2026.

• *Deepening relationships with existing customers.* We have maintained a high level of customer retention, reflecting our ongoing efforts to improve product usability and customer experience. The percentage of retained large enterprise customers for our cloud-based services was 75.6%, 74.1%, 75.2% and 80.6% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, calculated by the number of customers in a given period who also made purchases in the same period of the previous year by the total number of customers in that given period. The percentage of retained medium-sized enterprise customers for our cloud-based services was 86.8%, 82.4%, 80.5% and 82.8% in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively.

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

Improving Gross Profit Margin

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

- *Transformation of the delivery methods.* Our historical gross profit margin decline was primarily due to the delivery complexity of top-tier customers, particularly during the initial rollout of our advanced cloud-based services. Their customized and large-scale deployments strained our in-house implementation capacity, increasing service costs and margin pressure. As our cloud-based offerings mature and delivery capabilities improve, our gross profit margin decline has gradually slowed, driven by improved implementation efficiency. Looking ahead, we plan to optimize our delivery model and reduce implementation costs by enhancing product standardization to reduce customization needs and shorten delivery cycles, deploying automated delivery tools and training our internal delivery team, and expanding cooperation with qualified third-party professional service partners to improve delivery flexibility and scalability while controlling internal resource costs. We believe these initiatives will support gross margin improvement and strengthen business scalability as our customer base expands.

- *Enhancing standardized product offering*. We have improved gross profit margin for medium-sized enterprise customers by increasing product standardization. Streamlined, modular and configurable cloud-based services have reduced implementation time and delivery complexity, improving cost efficiency and margin profile. Going forward, we will further enhance our standardized product portfolio by expanding core functions, adding industry-specific features, and offering preconfigured process templates, out-of-the-box modules and scenario-driven components for key verticals. We also plan to optimize product architecture to support low-code configuration and flexible deployment, thereby improving scalability and profitability while addressing broader customer needs.

- *Deepening ecosystem collaboration*. We expect to leverage ecosystem partners, especially professional service partners, to improve our gross margin profile. By engaging them for more delivery and maintenance support, we can reduce internal operational burden and allocate more resources to product development and innovation. As our product portfolio becomes more standardized, professional service partners can help deliver high quality services at scale. This partner-enabled model supports business expansion, optimizes resource allocation and drives sustainable gross margin improvement.

Enhancing Economic Benefits of Operating Expenses

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

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

- *Sales and marketing expenses.* Our sales and marketing expenses were RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of revenue and showing a declining trend. As our product capabilities improve, we expect sales efficiency to increase through cross-domain adoption by existing customers and faster up-selling of higher-value products, enabling revenue growth with limited incremental sales and marketing expenses. We plan to further improve sales and marketing efficiency by strengthening brand awareness, expanding our

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

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

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

IMPACT OF COVID-19 PANDEMIC

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

OVERVIEW

As of the Latest Practicable Date, (i) Beijing Yonyou Tech, a company directly owned as to 100% by Mr. Wang, held 921,161,630 Shares; (ii) Shanghai Yonyou Tech, a company directly and indirectly owned as to 85.15% by Mr. Wang, held 392,069,275 Shares, and (iii) Yonyou Institute, a company directly owned as to 79.64% by Mr. Wang, held 107,848,606 Shares. Therefore, as of the Latest Practicable Date, Mr. Wang, through Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute, is entitled to exercise the voting rights attached to approximately 41.86% of total issued share capital of our Company (excluding the 21,855,792 A Shares held by our Company as treasury Shares). Immediately following completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no changes are made to the total issued share capital of our Company or the treasury Shares from the Latest Practicable Date to the [**REDACTED**], Mr. Wang, through Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute, will be entitled to exercise the voting rights attached to approximately [**REDACTED**]% of total issued share capital of our Company (excluding the 21,855,792 A Shares held by our Company as treasury Shares). Therefore, Mr. Wang, Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute are and will continue to be a group of Controlling Shareholders of our Company upon the [**REDACTED**]. For further details of the treasury Shares, see "Share Capital — Our Shares" section in this document.

Each of Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute was an investment holding platform as of the Latest Practicable Date.

COMPETITION

As of the Latest Practicable Date, none of our Controlling Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE OF OUR BUSINESS

We believe that we are capable of carrying on our business independently from the Controlling Shareholders and/or their respective close associates upon the [**REDACTED**] for the following principal reasons:

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the [**REDACTED**], our Board will consist of eight Directors comprising four executive Directors, one non-executive Director and three independent non-executive Directors. For more information, please see the section headed "Directors and Senior Management."

Our Directors believe that our Company is capable of maintaining management independence due to the following reasons:

(1) each of Mr. Wang, Mr. Guo Xinping, and Mr. Wu Zhengping serves as a director and/or manager of Yonyou Institute, reflecting their shareholding interests in the company. However, Yonyou Institute functions solely as an investment holding company, engaging primarily in equity investments without any other substantial business operations and, as such, does not require their active involvement in its daily work or day-to-day management. Furthermore, none of the other Directors or senior management members of our Company will hold any directorships or managerial roles in our Controlling Shareholders or their respective close associates upon the [**REDACTED**];

(2) our Directors are aware of their fiduciary duties as a director, which require, among other things, that they act for the benefits and in the interests of our Company and all our Shareholders as a whole and do not allow any conflict between their duties as a Director and their personal interests;

(3) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(4) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decisions unless authorized by the Board;

(5) our Board has a balanced composition of executive and non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Our independent non-executive Directors account for over one-third of the Board, and do not and will not take up any position with our Controlling Shareholders. All of our three independent non-executive Directors are independent from our Controlling Shareholders and have extensive experience in their respective areas of expertise. For details, see "Directors and Senior Management." All independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules, and certain matters of our Company must always be referred to the independent non-executive Directors for review, ensuring the decisions of the Board are made only after the due consideration of independent and impartial opinions;

(6) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Controlling Shareholders or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and will abstain from voting at the relevant meeting in accordance with the Listing Rules; and

(7) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see "— Corporate Governance Measures" in this section for further information.

Based on the above, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that our Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole. Our Board together with our senior management team, therefore, are able to perform the managerial role in our Group independently.

Operational Independence

We are in possession of all technologies relating to our Group's business. Currently, we engage in our Group's business independently, with the independent right to make operational decisions and implement such decisions.

We have independent access to customers and suppliers and, therefore, are not dependent on our Controlling Shareholders for any significant amount of our revenue, R&D, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, such as staffing, administration, finance, internal audit, R&D, sales and marketing, or company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

Our Company has its own team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(1) under the Articles of Association, where our Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution of our Company or restricted to vote only for or only against any particular resolution of our Company, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;

(2) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(3) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders;

(4) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(5) our Controlling Shareholders will provide our independent non-executive Directors with all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(6) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its interim and/or annual reports or by way of announcements as required by the Listing Rules;

(7) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense;

(8) we have appointed First Shanghai Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and

(9) we have established the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee with written terms of reference in compliance with the Listing Rules and the Code on Corporate Governance and Corporate Governance Report in Appendix C1 to the Listing Rules. We have also established a Strategy and Sustainable Development Committee with written terms of reference.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB3,416,997,409.00, comprising 3,416,997,409 A Shares (including 21,855,792 A Shares as treasury Shares) of nominal value of RMB1.00 each, which are all listed on the main board of the Shanghai Stock Exchange.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	3,416,997,409[(1)]	100%
Total	**3,416,997,409**	**100%**

Note:

(1) Including 21,855,792 A Shares held by our Company as treasury Shares.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**], assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company or the treasury Shares from the Latest Practicable Date to the [**REDACTED**], the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	3,416,997,409[(1)]	[**REDACTED**]%
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**

Note:

(1) Including 21,855,792 A Shares held by our Company as treasury Shares.

Immediately following the completion of the [**REDACTED**], assuming (i) the [**REDACTED**] is fully exercised and (ii) no other changes are made to the issued share capital of our Company or the treasury Shares from the Latest Practicable Date to the [**REDACTED**], the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Percentage of total issued share capital of our Company
A Shares	3,416,997,409[(1)]	[**REDACTED**]%
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100%**

Note:

(1) Including 21,855,792 A Shares held by our Company as treasury Shares.

OUR SHARES

Our H Shares [**REDACTED**] upon completion of the [**REDACTED**], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] or [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] and qualified domestic institutional [**REDACTED**]. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] and [**REDACTED**] by mainland Chinese [**REDACTED**] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

As of the Latest Practicable Date, 21,855,792 A Shares are held by our Company as treasury Shares, which shall be used by our Company in connection with employee stock ownership plan(s) or employee share incentives of our Company. Upon adoption of any share scheme(s) of our Company which will be funded by such 21,855,792 A Shares after the [**REDACTED**], such 21,855,792 A Shares may be transferred out of treasury for the purpose of and pursuant to such share scheme(s) of our Company and our Company will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are

not applicable to companies dual [**REDACTED**] in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to [**REDACTED**] H Shares and seek the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. Such approval was obtained by us at the Shareholders' general meeting of our Company held on June 24, 2025 and is subject to the following major conditions:

(i) *Size of the* [**REDACTED**]. The proposed number of H Shares to be [**REDACTED**] shall not exceed 10% of the total issued share capital enlarged by the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (before the exercise of the [**REDACTED**]). The number of H Shares to be [**REDACTED**] pursuant to the full exercise of the [**REDACTED**] shall not exceed 15% of the total number of H Shares to be [**REDACTED**] initially under the [**REDACTED**].

(ii) *Method of* [**REDACTED**]. The method of [**REDACTED**] shall be by way of an [**REDACTED**] to institutional [**REDACTED**] and a public [**REDACTED**] for [**REDACTED**] in Hong Kong.

(iii) *Target* [**REDACTED**]. The H Shares shall be [**REDACTED**] to public [**REDACTED**] in Hong Kong under the [**REDACTED**] and international [**REDACTED**], qualified domestic institutional [**REDACTED**] in mainland China and other [**REDACTED**] who are approved by mainland Chinese regulatory bodies to [**REDACTED**] abroad in [**REDACTED**].

(iv) [**REDACTED**] *basis*. The [**REDACTED**] of the H Shares will be determined by the Board and its authorized person with the authorization of the Shareholders' general meeting, together with the [**REDACTED**], after full consideration of the interests of existing Shareholders and the conditions of domestic and international capital markets conditions with reference to the international practices and through demands for orders and book-building process using a market-oriented pricing method.

(v) *Validity period.* The [**REDACTED**] and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 18 months from the date on which such matters were approved at the Shareholders' meeting held on June 24, 2025.

There are no other approved offering plans for our Shares except the [**REDACTED**].

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstance under which our Shareholders' general meeting is required, see "Summary of Articles of Association — Shareholders and Shareholders' Meeting" in Appendix V to this document.

So far as our Directors are aware, immediately following completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company or treasury Shares from the Latest Practicable Date to the [**REDACTED**], the following persons will have interests or short positions (if applicable) in the Shares or underlying Shares, which would be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO, or be interested, directly or indirectly, in 10% or more of the issued voting Shares of our Company:

					Immediately after the [REDACTED]	
Name of Shareholders	Nature of interest	Description of Shares	Number of Shares interested in under the SFO	Approximate % of the issued Shares of our Company as of the Latest Practicable Date	Approximate % of the A Shares of our Company	Approximate % of the issued Shares of our Company
Mr. Wang[(1)] . . .	Interest in controlled corporation	A Shares	1,421,079,511	41.59	[41.59]	[**REDACTED**]
	Interest in treasury Shares[(2)]		21,855,792	0.64	[0.64]	[**REDACTED**]
Beijing Yonyou Tech[(1)].	Beneficial owner	A Shares	921,161,630	26.96	[26.96]	[**REDACTED**]
Shanghai Yonyou Tech[(1)].	Beneficial owner	A Shares	392,069,275	11.47	[11.47]	[**REDACTED**]

Notes:

(1) As of the Latest Practicable Date, (i) Beijing Yonyou Tech, a company directly owned as to 100% by Mr. Wang, held 921,161,630 Shares; (ii) Shanghai Yonyou Tech, a company directly and indirectly owned as to 85.15% by Mr. Wang, held 392,069,275 Shares, and (iii) Yonyou Institute, a company directly owned as to 79.64% by Mr. Wang, held 107,848,606 Shares. Accordingly, Mr. Wang, Beijing Yonyou Tech, Shanghai Yonyou Tech and Yonyou Institute were deemed to be interested in the A Shares held by Beijing Yonyou Tech, Shanghai Yonyou Tech, and Yonyou Institute under the SFO.

For the purpose of obtaining financing for personal needs, our Controlling Shareholders have, from time to time, pledged certain A Shares to certain PRC financial institutions as collateral. As of the Latest Practicable Date, our Controlling Shareholders had collectively pledged 548,870,000 A Shares, representing approximately 16.06% of the total issued share capital of our Company, as security in favor of certain PRC financial institutions regulated by the National Administration of Financial Regulation and/or the CSRC. Such share pledges will remain in effect following the [**REDACTED**].

Our Controlling Shareholders will only pledge additional shares to the extent permitted under the Hong Kong Listing Rules, and our Company will make further announcement(s) as and when appropriate and required in accordance with the Hong Kong Listing Rules.

To the best knowledge of our Directors, after having made all reasonable inquiries, there are no adverse credit records against our Controlling Shareholders in relation to any breach of repayment obligations under his indebtedness.

(2) As of the Latest Practicable Date, there are 21,855,792 A Shares repurchased and held in our Company's stock repurchase account. Mr. Wang, who controls more than one-third of the voting rights at the general meetings of our Company would be taken to have an interest in such repurchased A Shares held by our Company.

For further information on any other person who will be, immediately following completion of the [**REDACTED**], directly or indirectly, interested in 10% or more of the voting right at general meetings of our subsidiaries, see "Appendix VI — Statutory and General Information — Further Information about Our Directors, Chief Executive and Substantial Shareholders — Disclosure of Interests of Substantial Shareholders — Interests in Our Company's Subsidiaries."

BOARD OF DIRECTORS

Upon the [**REDACTED**], our Board will consist of eight Directors, comprising four executive Directors, one non-executive Director and three independent non-executive Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by the Shareholders for a term of three years and are eligible for re-election upon expiry of their terms of office. According to the relevant PRC laws and regulations, an independent non-executive Director shall not serve for more than six consecutive years.

The following table sets forth the key information about our Directors as of the Latest Practicable Date.

Name	Age*	Positions	Time of joining our Group	Time of appointment as a Director	Roles and responsibilities
Mr. WANG Wenjing (王文京)	62	Chairperson of the Board, executive Director and president	December 1988	December 1988	Responsible for providing strategic advice and overseeing the development planning of our Group
Mr. WU Zhengping (吳政平)	62	Executive Director and chief financial officer	May 1992	November 1999	Responsible for the overall financial and capital market matters of our Group
Dr. HUANG Chenhong (黃陳宏)	63	Executive Director	January 2025	April 2025	Responsible for providing professional advice and judgment related to operation and management to our Group
Mr. GENG Fan (耿凡)	48	Executive Director	September 2011	June 2025	Responsible for the legal affairs and legal risk management of our Group
Mr. GUO Xinping (郭新平)	63	Non-executive Director and vice chairperson of the Board	July 1989	November 1999	Responsible for providing strategic advice and guidance to our Board
Dr. ZHANG Ruijun (張瑞君)	65	Independent Non-executive Director	July 2024	July 2024	Responsible for supervising and providing independent opinion and judgment to the Board

Name	Age*	Positions	Time of joining our Group	Time of appointment as a Director	Roles and responsibilities
Mr. DENG Feng (鄧鋒)	63	Independent Non-executive Director	May 2026	May 2026	Responsible for supervising and providing independent opinion and judgment to the Board
Ms. FANG Xuan (方璇)	55	Independent Non-executive Director	May 2026	May 2026	Responsible for supervising and providing independent opinion and judgment to the Board

Note: Ages are calculated based on the year of birth.

Executive Directors

Mr. WANG Wenjing (王文京), aged 62, is the founder, chairperson of our Board, an executive Director and president of our Company. He is primarily responsible for providing strategic advice and overseeing the development planning of our Group.

Mr. Wang, a respected leader in the software industry with a distinguished career spanning nearly two decades, is widely recognized for his extensive expertise in corporate management and strategic foresight. Founded our Group in 1988, Mr. Wang has been the driving force behind its inception and strategic growth, consistently leading us towards progress and setting industry benchmarks. Mr. Wang has been serving as our Director and the chairperson of the Board since then. He was re-designated as an executive Director in June 2025, with effect from the [**REDACTED**]. Additionally, he currently holds directorships in a number of subsidiaries of our Group, including, among others: (i) the chairman of the Board and a non-executive director of Chanjet since March 2010; (ii) the chairperson of the board of Yonyou Auto since July 2010, (iii) the chairperson of the board of Yonyou Fintech since July 2012 and (iv) a director of Seentao Tech since January 2021.

Mr. Wang was elected as a member of the 9th to 12th session of the National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會) for a term from March 1998 to March 2018 and served as the vice chairperson of the 10th All-China Federation of Industry and Commerce (中華全國工商業聯合會) and China Software Industry Association. He is currently serving as the vice chairperson of the Internet Society of China (中國互聯網協會), China Enterprise Confederation (中國企業聯合會), China Enterprise Directors Association (中國企業家協會).

Mr. Wang graduated from Jiangxi University of Finance and Economics (江西財經大學) (formerly known as Jiangxi College of Finance and Economics (江西財經學院)) with a bachelor's degree in economics, in July 1983.

Mr. WU Zhengping (吳政平), aged 62, is an executive Director and the chief financial officer of our Company. He is primarily responsible for the overall financial and capital market matters of our Group.

Mr. Wu has over 30 years of working experience in the software industry and has extensive experience in corporate management and business operation. He joined our Group in May 1992 and held several managerial positions successively, rising through executive vice president, senior vice president, chief financial officer and chief administrative officer. He has been our Director since November 1999. In June 2025, he was re-designated as an executive Director, with effect from the [**REDACTED**]. Additionally, Mr. Wu has been serving as a director of Yonyou Fintech since July 2012, a director of Yonyou Auto since June 2015 and a non-executive Director of Chanjet since March 2010.

Prior to joining our Group, Mr. Wu worked for China Building Materials Academy (中國建築材料科學研究總院) from August 1983 to May 1992. He served as a member of the sixth and seventh sessions of the Chinese People's Political Consultative Conference of Haidian District, Beijing (中國人民政治協商會議北京市海淀區委員會) from January 1999 to December 2006.

Mr. Wu graduated from China Europe International Business School (中歐國際工商學院) with a master's degree in business administration in September 2007.

Dr. HUANG Chenhong (黃陳宏), aged 63, is an executive Director of our Company. He joined our Group in January 2025, serving as a president until March 2025 and was appointed as a Director in April 2025. In June 2025, Dr. Huang was re-designated as an executive Director, with effect from the [**REDACTED**]. He is primarily responsible for providing professional advice and judgment related to operation and management to our Group.

Dr. Huang possesses extensive experience in cloud business, technology integration, and enterprise digitalization, contributing significant industry expertise and strategic value to our development. Prior to joining our Group, Dr. Huang held senior managerial positions in well-known multiple multinational companies. He served as the global executive vice president of SAP SE and president of SAP Greater China, from August 2021 to October 2024, successively. Prior to this role, he held the position of president of Dell Inc. Greater China from October 2014 to July 2021. Dr. Huang began his executive career as the president of carrier division at Nortel Networks Corporation China, where he served from July 1992 to October 2010.

Dr. Huang obtain his bachelor's degree of science and his master's degree of electrical engineering in Fudan University (復旦大學) in June 1983 and in June 1986, respectively. Furthermore, Dr. Huang obtained a doctoral degree in electrical engineering in Texas A&M University in June 1992.

Mr. GENG Fan (耿凡), aged 48, is an executive Director of our Company. He joined our Group in September 2011 and was appointed as an executive Director in June 2025. He is primarily responsible for the legal affairs and legal risk management of our Group.

Since joining our Group in September 2011, Mr. Geng had been serving as the general manager of legal affair department of our Group, and was appointed as a vice president of our Group in January 2017. Prior to joining our Group, Mr. Geng commenced his career at King & Wood Mallesons (金杜律師事務所) in July 2001 and then worked at Lianfa Law Firm (聯法律師事務所). From May 2004 to August 2011, he served as the legal adviser at Teng's Enterprise Group.

Mr. Geng obtained his bachelor's degree in law from China University of Political Science and Law (中國政法大學) in June 2001 and completed the graduate program (研究生班) in economic law from the same university in October 2006.

Non-Executive Director

Mr. GUO Xinping (郭新平), aged 63, is a Director and vice chairperson of the Board of our Company. He is primarily responsible for the internal audit and asset operations and management of our Group. With effect from the [**REDACTED**], Mr. Guo will be re-designated as a non-executive Director and will be responsible for providing strategic advice and guidance to our Board.

With a successful career spanning nearly two decades, Mr. Guo possesses substantial expertise in financial management, strategic investment, and the commercialization of technology. He joined our Group in July 1989 and successively served as the chief financial officer, president and vice chairperson of our Board. He has been as our Director since November 1999. Mr. Guo currently works at several subsidiaries of our Company, including the chairperson of supervisory committee of Chanjet since September 2011 and a director of Yonyou Fintech since May 2016.

Mr. Guo served as an independent Director of Glodon Company Limited (廣聯達科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002410), from April 2008 to April 2023, and an independent non-executive director of CCID Consulting Company Limited (賽迪顧問股份有限公司), the shares of which are listed on the Stock Exchange (stock code: 2176) from May 2002 to January 2022, respectively.

Mr. Guo graduated from Hong Kong University of Science and Technology with a master's degree in business administration in November 2007. He was recognized as a senior accountant by the Personnel Department of Hubei Province (湖北省人事廳) in January 1998.

Independent Non-Executive Directors

Dr. ZHANG Ruijun (張瑞君), aged 65, joined our Group as an independent Director in July 2024, and was re-designated as an independent non-executive Director in June 2025, with effect from the [**REDACTED**]. She is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Zhang has over 30 years of professional experience in investment and financial management. She has been serving as a partner and the chief executive officer in Yarui Heyi Capital Management (Beijing) Co., Ltd. (雅瑞和宜資本管理(北京)有限責任公司) since July 2015. Additionally, she has been holding independent directorships in multiple listed companies, including (i) an independent (non-executive) Director in China Merchants Securities Co., Ltd. (招商證券股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600999) and Stock Exchange (stock code: 6099), since January 2024; (ii) an independent Director in Beijing Tianzhihang Medical Technology Co., Ltd. (北京天智航醫療科技股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 688277), since September 2023; (iii) an independent non-executive Director in Inspur Digital Enterprise Technology Co., Ltd. (浪潮數字企業技術有限公司), the shares of which are listed on the Hong Kong Stock Exchange (stock code: 00596) since April 2014. From December 1992 to November 2022, Dr. Zhang worked at Renmin University of China (中國人民大學), with her last role as a professor.

Dr. Zhang obtained her Ph.D. degree in accounting from Renmin University of China (中國人民大學) in July 2002. She also obtained her Certified Public Accountant (CPA) qualification in the PRC in July 2015.

Mr. DENG Feng (鄧鋒), aged 63, joined our Group as an independent Director in May 2026. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Deng has over 20 years of professional experience in the venture capital, computer science, and telecommunications industries. He founded Northern Light Venture Capital (北極光諮詢顧問(北京)有限公司) in January 2006, serving as its founding managing partner. Currently, Mr. Deng holds directorships in multiple listed companies, including a non-executive director in BrainAurora Medical Technology Limited (腦動極光醫療科技有限公司) (stock code: 6681.HK) since July 2023 and a director in Burning Rock Biotech Ltd. (ticker symbol: BNR.NASDAQ) since August 2016.

Previously, Mr. Deng held directorships in several listed companies, including (i) Cytek Biosciences Inc. (ticker symbol: CTKB.NASDAQ) from August 2018 to June 2022; (ii) New Hope Liuhe Co., Ltd. (新希望六和股份有限公司) (stock code: 000876.SZ) from September 2016 to May 2022; (iii) iRay Technology Company Limited (上海奕瑞光電子科技股份有限公司) (stock code: 688301.SH) from July 2017 to March 2022; (iv) in Hillstone Networks Co.,

Ltd. (山石網科通信技術股份有限公司) (stock code: 688030.SH) from December 2018 to January 2022; and (v) in Neusoft Corporation (東軟集團股份有限公司) (stock code: 600718.SH) from April 2016 to May 2020.

Mr. Deng obtained his bachelor's and master's degrees in electronic engineering from Tsinghua University (清華大學) in July 1986 and December 1988, respectively. He also obtained a master's degree in computer engineering from the University of Southern California in August 1993, and a master's degree in business administration from the Wharton School of the University of Pennsylvania in May 2005.

Ms. FANG Xuan (方璇), aged 55, joined our Group as an independent Director in May 2026. She is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Fang has extensive professional experience in the finance and treasury industry. She has served as the chief financial officer of CR Construction Group Holdings Limited (華營建築集團控股有限公司) (stock code: 1582.HK) since June 2022, prior to which she served as its financial director from August 2019 to May 2022. Additionally, she serves as an independent non-executive director of several listed companies, including: (i) China Development Bank International Investment Limited (國開國際投資有限公司) (stock code: 1062.HK) since March 2024; (ii) Xiaocaiyuan International Holding Ltd. (小菜園國際控股有限公司) (stock code: 0999.HK) since December 2024; and (iii) China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司) (stock code: 0308.HK) since March 2025.

Prior to her current roles, Ms. Fang served as the financial accounting manager of the Hong Kong capital finance department at Beijing Enterprises Holdings Limited (北京控股有限公司) (stock code: 0392.HK) from June 2000 to July 2019 and a finance director at Mingxi Charity Foundation from August 2016 to July 2019.

Ms. Fang obtained her bachelor's degree in accounting from the University of Bolton in October 2006. She also obtained an Executive Master of Business Administration (EMBA) degree from the City University of Hong Kong in October 2021, and completed a senior program on public administration at Tsinghua University (清華大學) in August 2022.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age*	Positions	Time of joining our Group	Time of appointment as a senior management	Roles and responsibilities
Mr. WANG Wenjing (王文京)	62	Chairperson of the Board, the executive Director and president	December 1988	December 1988	Responsible for providing strategic advice and overseeing the development planning of our Group
Mr. WU Zhengping (吳政平)	62	Executive Director and chief financial officer	May 1992	May 2022	Responsible for the overall financial and capital market matters of our Group
Mr. XIE Zhihua (謝志華)	50	Executive vice president	June 1998	January 2016	Responsible for the product R&D and cybersecurity of our Group
Mr. ZHANG Jixiong (張紀雄)	54	Senior vice president	November 1998	May 2022	Responsible for the product planning of our Group
Mr. DU Yu (杜宇)	50	Senior vice president	September 1996	August 2023	Responsible for the large enterprise business of our Group
Mr. XU Yang (徐洋)	50	Senior vice president	January 2004	January 2017	Responsible for the medium enterprise business of our Group
Mr. SHEN Chongfeng (沈崇鋒)	56	Senior vice president	October 2025	October 2025	Responsible for the overseas business operation of our Group
Mr. LI Junyi (李俊毅)	48	Senior vice president	July 2001	April 2026	Responsible for the overall management of the high-end delivery center.
Mr. ZHANG Zhigang (張志剛)	55	Senior vice president	March 2003	April 2023	Responsible for the asset operation and management of our Group
Mr. WU Ping (吳平)	53	Senior vice president	February 2001	January 2020	Responsible for the human resources of our Group
Ms. CHEN Yunqi (陳蘊奇)	48	Vice president and chief accountant	October 2021	October 2021	Responsible for the financial matters and procurement management of our Group
Mr. LI Weimin (李偉民)	52	Vice president	November 2003	June 2025	Responsible for the corporate management of our Group

Name	Age*	Positions	Time of joining our Group	Time of appointment as a senior management	Roles and responsibilities
Mr. QI Lin (齊麟)	47	Vice president and secretary of the Board	April 2012	June 2021	Responsible for the Board related and capital market matters of our Group

Note: Ages are calculated based on the year of birth.

Mr. WANG Wenjing (王文京), aged 62, is the chairperson of the Board, executive Director and president of our Company. For his biography, see "— Board of Directors — Executive Directors" in this section.

Mr. WU Zhengping (吳政平), aged 62, is an executive Director and chief financial officer of our Company. For his biography, see "— Board of Directors — Executive Directors" in this section.

Mr. XIE Zhihua (謝志華), aged 50, is an executive vice president of our Company. He is primarily responsible for the product R&D and cybersecurity of our Group.

Mr. Xie joined our Group in June 1998 and was appointed as the senior vice president in 2011. In April 2026, he got promoted to the current position, prior to that, Mr. Xie assumed multiple important roles in our Company gradually, including R&D engineer, manager of development department, deputy general manager of NC business department, manager of NC product department, assistant president, vice president, senior vice president and executive vice president, successively.

Mr. Xie obtained his bachelor's degree in engineering from Tianjin College of Commerce (天津商學院) in July 1998.

Mr. ZHANG Jixiong (張紀雄), aged 54, is a senior vice president of our Company. He is primarily responsible for the product planning of our Group.

Mr. Zhang joined our Group in November 1998 and was appointed as the current position in May 2022. In the previous periods, Mr. Zhang successively held the positions of vice president, senior vice president, and president of Yonyou Government Affairs, a subsidiary of our Company. Also, he serves as a senior vice president of our Company and the president of You Tai An Insurance Brokers Co., Ltd. (友太安保險經紀有限公司), also a subsidiary of our Company. Prior to joining our Group, Mr. Zhang worked at Ministry of Railways Economic Planning and Research Institute (鐵道部經濟規劃研究院) (currently known as China Railway Economic and Planning Research Institute Co., Ltd. (中國鐵路經濟規劃研究院有限公司)).

Mr. Zhang obtained his master's degree from Peking University (北京大學) in January 2012.

Mr. DU Yu (杜宇), aged 50, is a senior vice president of our Company. He is primarily responsible for the large enterprise business of our Group.

Mr. Du joined our Group in September 1996 and successively served in various business line positions with his last position being a senior vice president until April 2021. From April 2021 to June 2023, Mr. Du served as the chief operating officer of Hangzhou BestSign Network Technology Co., Ltd. (杭州尚尚簽網絡科技有限公司). He rejoined our Group in June 2023 and was appointed to his current position as a member of senior management in August 2023. He was familiar with diverse business and sectors within our Group. Mr. Du served as general manager of e-commerce solutions business department, general manager of consumer goods industry business department, general manager of digital marketing business department, general manager of Cloud business department, vice president, and senior vice president of our Company.

Mr. Du graduated from Beijing Foreign Studies University (北京外國語大學) in July 2016.

Mr. XU Yang (徐洋), aged 50, is a senior vice president of our Company. He is primarily responsible for the medium enterprise business of our Group.

Mr. Xu joined our Group in January 2004 and was appointed as a senior vice president of our Company in January 2017. Prior to that, Mr. Xu served as a manager of U8 business department, general manager of Hunan branch, and general manager of business partner department of our Company. Prior to joining our Group, Mr. Xu started his career at Chongqing Branch of Kingdee Software (China) Co., Ltd. (金蝶軟件(中國)有限公司重慶分公司).

Mr. Xu obtained his Master of Business Administration (MBA) from China Europe International Business School (中歐國際工商學院) in November 2018.

Mr. SHEN Chongfeng (沈崇鋒), aged 56, is a senior vice president of our Company. He is primarily responsible for the overseas business operation of our Group.

Mr. Shen has nearly 30 years of experience in the technology and software industries. From November 1998 to October 2021, he worked at Kingdee Software (China) Co., Ltd. (金蝶軟件(中國)有限公司), the shares of which are listed on the Stock Exchange (stock code: 00268), where he last served as a general manager and a director. From October 2021 to February 2025, he served as the chairman of the board and the chief executive officer of Shenzhen One Account Intelligent Technology Co., Ltd. (深圳市壹賬通智能科技有限公司). From March 2025 to September 2025, he served as the executive president of Shenzhen Zhongxing New Cloud Service Co., Ltd. (深圳市中興新雲服務有限公司). He joined our Group in October 2025, bringing with him extensive management experience across enterprise software, digital intelligence solutions and business operations.

Mr. Shen obtained a bachelor's degree in engineering from Changchun College of Geology (長春地質學院) in July 1992 and a master's degree in engineering from Changchun University of Science and Technology (長春科技大學) (formerly known as Changchun College of Geology and currently incorporated into Jilin University (吉林大學)) in July 1996.

Mr. LI Junyi (李俊毅), aged 48, is a senior vice president of our Company. He is primarily responsible for the overall management of the high-end delivery center.

Mr. Li joined our Group in July 2001 and was announced as a member of the senior management in April 2026. Prior to that, Mr. LI assumed multiple important roles in our Company gradually, including software development engineer, manager of product department, general manager of NC product department, general manager of U8Cloud product department, general manager of NCCloud product department, assistant president, vice president and senior vice president, successively.

Mr. Li obtained his bachelor's degree in economics from Xi'an Jiaotong University (西安交通大學) in July 2001.

Mr. ZHANG Zhigang (張志剛), aged 55, is a senior vice president of our Company. He is primarily responsible for the asset operation and management of our Group.

Mr. Zhang joined our Group in March 2003 and was appointed as a senior vice president of our Company in April 2023. He successively held the positions of department manager, deputy general manager, and general manager of infrastructure center of our Company, as well as an assistant president and vice president of our Company. Before joining our Group, Mr. Zhang worked at the Audit Bureau of the Ministry of State Security of the PRC (中國國家安全部審計局) starting from May 1996 and served as a budget estimating engineer at Beijing Shougang Design Institute (北京首鋼設計院) (currently known as Beijing Shougang International Engineering Technology Co., Ltd. (北京首鋼國際工程技術有限公司)) from July 1993 to May 1996.

Mr. Zhang obtained his bachelor's degree in economics from Jiangxi University of Finance and Economics (江西財經大學) (formerly known as Jiangxi College of Finance and Economics (江西財經學院)) in July 1993.

Mr. WU Ping (吳平), aged 53, is a senior vice president of our Company. He is primarily responsible for the human resources of our Group.

Mr. Wu joined our Group in February 2001 and was appointed as the current position in January 2020. He was promoted from the positions of general manager of our branch, general manager of enterprise management department, vice president and senior vice president of our Company and an assistant president of Yonyouup Information Technology Co., Ltd. (用友優普信息技術有限公司), a wholly-owned subsidiary of our Company. Before joining our Group,

Mr. Wu started working at Kunming Branch of Shenzhen Kingdee Software Co., Ltd. (深圳金蝶軟件有限公司昆明分公司) (currently known as Kunming Branch of Kingdee Software (China) Co., Ltd. (金蝶軟件(中國)有限公司昆明分公司)) in July 1994.

Mr. Wu obtained his bachelor's degree in economics from Renmin University of China (中國人民大學) in July 1994.

Ms. CHEN Yunqi (陳蘊奇), aged 48, is a vice president and chief accountant of our Company. She is primarily responsible for the financial matters and procurement management of our Group.

Ms. Chen joined our Group in October 2021 as the vice president and chief accountant. Prior to joining our Group, she served as the senior vice president and finance controller in Pactera Technology Limited (文思海輝技術有限公司) from 2007 to 2017. She served as the senior auditor in Deloitte from 2001 to 2007.

Ms. Chen obtained her bachelor's degree in accounting from Renmin University of China in the PRC in July 2001 and obtained her Master of Business Administration from Renmin University of China in the PRC in June 2018.

Mr. LI Weimin (李偉民), aged 52, is a vice president of our Company. He is primarily responsible for the corporate management of our Group.

Mr. Li joined our Group in November 2003 and previously served as the manager of the corporate management department and the assistant president. Within Group, Mr. Li served as the vice president of Yonyou Yunda Information Technology Services (Nanchang) Co., Ltd. (用友雲達信息技術服務(南昌)有限公司) from October 2012 to April 2014, the vice general manager of Yonyou Fintech from April 2014 to January 2018 and a director of Seentao Tech from July 2021 to July 2024. Additionally, he has been serving as the supervisory positions in multiple subsidiaries, including (i) the chairperson of the supervisory committee of Seentao Tech since August 2024, (ii) the chairperson of the supervisory committee of Yonyou Fintech since November 2024; (iii) the supervisor in Chanjet since November 2024.

In addition to our Group, Mr. Li also served as a supervisor of Beijing Seeyon Hulian Software Co., Ltd. (北京致遠互聯軟件股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 688369), from December 2019 to May 2024.

Mr. Li obtained his bachelor's degree in engineering from Huazhong Polytechniques University (華中理工大學) (currently known as Huazhong University of Science and Technology (華中科技大學)) in July 1997 and obtained his master's degree in business administration from Peking University (北京大學) in June 2004.

Mr. QI Lin (齊麟), aged 47, is a vice president and the secretary of the Board of our Company, primarily responsible for the Board related and capital market matters of our Group. Mr. Qi was also appointed as one of our joint company secretaries in June 2025, with effect from the [**REDACTED**].

Mr. Qi served as the investor relation manager of our Group from April 2012 to November 2016, and was appointed as the current position in June 2021. Mr. Qi possessed extensive experience in legal compliance, securities and investment. From March 2017 to June 2021, he held the position of senior director of securities affairs in the board office of Beijing management consulting branch of China Fortune Land Development Co., Ltd. (華夏幸福基業股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 600340). Prior to that, he worked at Beijing Jincheng Tongda & Neal Law Firm (北京金誠同達律師事務所) from May 2011 to March 2012. He began his professional career at Beijing LexField Law Offices (北京市聯德律師事務所) from July 2009 to April 2011.

Mr. Qi obtained his bachelor's degree in economic law from China University of Political Science and Law (中國政法大學) in June 2001, and Master of Laws (LLM) and master of philosophy from the University of Sheffield in January 2004 and April 2009, respectively.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

Mr. WANG Wenjing was a director of Hainan Yonyou Real Estate Development Investment Co., Ltd., Harbin Xinyou Software Co., Ltd. and Harbin Kangbo Software Co., Ltd. Mr. GUO Xinping was a director of Shenzhen Shuowang Management Consulting Co., Ltd. and Hainan Shangbo Software Co., Ltd. Mr. WU Zhengping was the vice chairperson of directors of the board of Beijing Liancheng Interactive Software Technology Co., Ltd. The business licenses of the abovementioned companies where certain of our Directors held directorship, were revoked as a result of the failure to conduct annual inspection as required under the relevant PRC laws and regulations (the "**Revocation**").

Each of Mr. WANG Wenjing, Mr. GUO Xinping and Mr. WU Zhengping has confirmed that (i) company secretarial matters such as conducting annual inspection of the relevant companies were assigned to certain specified staff in the respective company; (ii) the staff responsible for handling administrative matters inadvertently overlooked the annual inspection and filing of annual report; (iii) there was no dishonest or fraudulent act on his part with respect to the Revocation. Each of the aforesaid Directors further confirmed that as of the Latest Practicable Date, he had not received any (i) claims or legal proceedings made or commenced against him by any creditors of the relevant companies or any third parties; (ii) notice or sanction by any relevant government authorities against him imposing any penalty or order for rectification or alleging that he was personally liable for the Revocation; or (iii) notice of disqualification by relevant authorities requiring him to cease to act as a director of any PRC companies.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there is no other information in relation to his or her appointment which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

Save as disclosed above, none of our Directors and senior management held any directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the date of this document.

None of our Directors and members of senior management is a relative to other Directors and members of senior management.

Our Company dissolved the supervisory board in June 2025. As advised by our PRC Legal Advisors, such dissolution was made in accordance with the requirements of the PRC Company Law and relevant rules including the Notice on Transitional Arrangements for the Implementation of Supporting System Rules for the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》) issued by the CSRC on December 27, 2024, and is in compliance with applicable PRC laws and the CSRC's regulatory requirements.

JOINT COMPANY SECRETARIES

Mr. QI Lin (齊麟) is one of the joint company secretaries of our Company with effect from the [**REDACTED**]. For the biographical details of Mr. Qi, please refer to "— Senior Management" above.

Ms. Yu Wing Sze (余詠詩), aged 42, is one of the joint company secretaries of our Company with effect from the [**REDACTED**]. She is a manager of the listing services division at TMF Hong Kong Limited, a company providing corporate accounting and corporate secretarial services in Hong Kong. She has over 15 years of experience in company secretarial profession and has been serving as the company secretary of several listed companies in Hong Kong.

Ms. Yu is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

Ms. Yu received a bachelor's degree in business administration from the Chinese University of Hong Kong in Hong Kong in December 2005.

BOARD COMMITTEES

Our Company has established four committees under the Board in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, including the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and Sustainable Development Committee.

Audit Committee

We have established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review the financial information of our Company and the corresponding disclosure, supervise and evaluate the internal and external audit work and internal control management system. The Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely, Dr. ZHANG Ruijun, Mr. GUO Xinping and Ms. FANG Xuan. Dr. ZHANG Ruijun being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee in compliance with the Code on Corporate Governance set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and members of senior management, and Board succession. The Nomination Committee comprises an executive Director and two independent non-executive Directors, namely, Dr. ZHANG Ruijun, Mr. WANG Wenjing and Mr. DENG Feng. Dr. ZHANG Ruijun is the chairperson of the Nomination Committee.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration and Appraisal Committee comprises an executive Director and two independent non-executive Directors, namely, Ms. FANG Xuan, Mr. WANG Wenjing and Dr. ZHANG Ruijun. Ms. FANG Xuan is the chairperson of the Remuneration and Appraisal Committee.

Strategy and Sustainable Development Committee

We have established the Strategy and Sustainable Development Committee. The primary duties of the Strategy and Sustainable Development Committee are to conduct research and making recommendations on our Company's long-term development strategy as well as Environment Society Governance (ESG) objectives, examining the progress of the implementation of our Company's sustainable development objectives, and listening to reports on the work of the Board. The Strategy and Sustainable Development Committee comprises three executive Directors, one non-executive Director and three independent non-executive Directors, namely, Mr. WANG Wenjing, Mr. GUO Xinping, Mr. WU Zhengping, Dr. HUANG Chenhong, Dr. ZHANG Ruijun, Mr. DENG Feng and Ms. FANG Xuan. Mr. WANG Wenjing is the chairperson of the Strategy and Sustainable Development Committee.

CORPORATE GOVERNANCE CODE

We recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. Our Company intends to comply with all code provisions in the Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the [**REDACTED**] apart from code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual.

The roles of chairperson of the Board and president of our Company are currently performed by Mr. Wang. In view of Mr. Wang's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Mr. Wang acting as both our chairperson of the Board and president will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Mr. Wang continues to act as both our chairperson of the Board and president after the [**REDACTED**], and therefore currently do not propose to separate the functions of chairperson of the Board and president. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Wang and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson of the Board and president is necessary.

MANAGEMENT PRESENCE

According to Rules 8.12 and 19A.15 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since the principal business operations of our Group are conducted in mainland China, members of our senior management are, and are expected to continue to be, based in mainland China. Further, as our executive Directors have a vital role in our Group's operations, it is crucial for them to remain in close proximity to our Group's central management located in mainland China. Our Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. We have

applied for, and the Stock Exchange [has granted], a waiver from compliance with Rules 8.12 and 19A.15 of the Listing Rules. For further details, see "Waivers and Exemption — Waiver in respect of Management Presence in Hong Kong."

BOARD DIVERSITY POLICY

Our Board has adopted a diversity policy to support our strategic goals and sustainable growth. We value diversity in areas such as gender, age, background, experience, and skills. Director candidates are selected based on merit and their alignment with our business needs, with diversity as an important consideration. We place particular emphasis on gender diversity. After the [**REDACTED**], we aim to gradually increase the number of female directors by identifying and maintaining a pool of qualified female candidates with diverse expertise. We promote gender balance in mid- to senior-level recruitment to build a pipeline of future female leaders. We will provide training to high-potential female employees in areas such as operations, management, finance, and compliance, to prepare them for leadership roles. Our Nomination Committee oversees board diversity and will review the policy annually. Progress and measurable outcomes will be disclosed in our corporate governance report.

COMPLIANCE ADVISOR

We have appointed First Shanghai Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(c) where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [**REDACTED**] or [**REDACTED**] of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of appointment of our Compliance Advisor shall commence on the [**REDACTED**] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from our Company are paid in forms of fees, wages, salaries, bonuses, pension scheme contributions, and other benefits in kind. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and the Board takes into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB7.5 million.

For the years ended December 31, 2023, 2024, 2025 and for the three months ended March 31, 2026, the total amount of remuneration (including fees, wages, salaries, bonuses and pension scheme contributions) and other benefits in kind (if applicable) paid to our Directors and our then supervisors were RMB9.0 million, RMB13.4 million, RMB9.6 million and RMB1.9 million, respectively. For details on the remuneration of each Director during the Track Record Period, please refer to Note 10 to the Accountants' Report in Appendix I to this document.

For the years ended December 31, 2023, 2024, 2025 and for the three months ended March 31, 2026, the total emoluments paid to the five highest paid individuals (excluding nil, one, one and nil Director) by us amounted to RMB23.3 million, RMB11.3 million, RMB11.5 million and RMB3.5 million, respectively. For details on the remuneration of the five highest-paid employees during the Track Record Period, please refer to Note 11 to the Accountants' Report in Appendix I to this document.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 13, 2025 or May 6, 2026, and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) that his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she have no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10 of the Listing Rules

Each of our executive Directors and non-executive Director confirms that as of the Latest Practicable Date, he did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information and the respective accompanying notes thereto included in the Accountants' Report set out in Appendix I to this document which have been prepared in accordance with IFRS. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-looking Statements" and "Risk Factors." In evaluating our business, you should carefully consider the information provided in this document including but not limited to the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are a leading provider of enterprise software and intelligent services. Leveraging core technologies, such as AI, big data, and cloud computing, we focus on the R&D, innovation, commercialization and delivery of digital and intelligent software and services for enterprises. According to Frost & Sullivan, we are the largest player in China's enterprise software and service market by revenue in 2025 with a market share of 3.8%, and we are also the largest domestic enterprise software company in China in 2025 by overseas revenue. Our core offering, Yonyou BIP, empowers enterprises to enhance their digital and intelligent capabilities through enabling digital, data-driven, and intelligent operations.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our total revenue was RMB9,442.5 million, RMB8,817.4 million, RMB8,862.3 million, RMB1,307.2 million and RMB1,382.6 million, respectively. Our revenue fluctuations were primarily caused by the prolonged customer acquisition and delivery cycle associated with the complex requirements of top-tier customers, as well as our transition towards promoting new-generation cloud-base services, particularly our Yonyou BIP product series.

During the Track Record Period, we recorded loss for the year/period of RMB933.2 million, RMB2,069.8 million, RMB1,351.1 million, RMB756.3 million and RMB744.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. We recorded adjusted net loss (non-IFRS measure) of RMB891.0 million, RMB1,990.8 million, RMB1,316.9 million, RMB745.8 million and RMB739.5 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our adjusted EBITDA (non-IFRS measure) was RMB134.4 million and RMB222.6 million in 2023 and 2025, respectively, while our negative adjusted EBITDA (non-IFRS measure) was RMB676.4 million, RMB367.8 million and RMB326.1 million in 2024 and the three months ended March 31, 2025 and 2026, respectively.

BASIS OF PRESENTATION AND PREPARATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRSs effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of our historical financial information throughout the Track Record Period. We have not adopted any new standards or interpretations that were not yet effective during the Track Record Period.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Growing Enterprise Software and Service Market Fueled by Emerging Technologies

Our business and results of operations are driven by the demand for enterprise software and intelligent services, which in turn is dependent on the growth of the global and China's enterprise software and services market. According to Frost & Sullivan, the size of the global enterprise software and service industry is expected to increase from US$417.5 billion in 2025 to US$722.5 billion in 2030 at a CAGR of 11.6%. China's enterprise software and service industry is projected to increase from RMB222.5 billion in 2025 to RMB391.5 billion by 2030 at a CAGR of 12.0%. This robust market growth is primarily driven by the widespread adoption of emerging technologies, the information technology application innovation initiatives, and the globalization of Chinese enterprises. In particular, the rapid evolution of AI is expected to propel the expansion of the enterprise software and service industry. AI accelerates the digital and intelligent transformation of enterprises, promotes system-wide intelligent upgrades, and advances the transition into a new generation of enterprise software. With our advanced, AI-powered Yonyou BIP, we are well positioned to seize this evolving market trend and increase our market share.

Adoption of domestically-developed enterprise software and cloud-based services has become a prevalent trend due to the initiatives promoting information technology application innovation in China. Leveraging our deep insight into operational demands of Chinese enterprises, the robust functionality of our products, and compelling price advantages, we have become the go-to digital and intelligent service provider for both Chinese enterprises and multinational enterprises operating in China. In addition, the global expansion of Chinese enterprises, coupled with rising demand for digital and intelligent software and services in emerging overseas markets, has driven Chinese enterprise software and service providers to accelerate their globalization efforts.

Building on our strong brand presence in China and across the Asia-Pacific region since 2003, we have steadily expanded our global footprint and established ourselves as a trusted partner for enterprises undergoing digital and intelligent transformation, accumulating product delivery experience in more than 40 countries and regions.

Commitment to Product Leadership Anchored in Innovation

Our operating performance is closely tied to our ability to deliver industry-leading enterprise software and intelligent services. During the 1.0 stage and 2.0 stage, we successfully launched a series of financial management and ERP software products, fueling rapid business expansion. Entering the 3.0 stage, we were among the first to introduce our advanced business innovation platform, Yonyou BIP. We have also launched Yonyou BIP Enterprise AI to empower Yonyou BIP with AI capabilities, and deeply embeds AI technologies into enterprises' operational processes and management. Going forward, we expect to continue to invest in product innovation and technology advancement by introducing new features and upgrading existing offerings to remain competitive, while strengthening the global adaptation of our products, industry-specific features, and ecosystem integration to further enrich our product portfolio and reinforcing our product leadership.

We have made significant investments in R&D. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred research and development costs of RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million, respectively, accounting for 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue in the same periods, respectively. We believe that our consistent R&D efforts can continue to create entry barriers and enhance our market leadership. However, such investments on our R&D capability will increase our research and development costs in absolute amounts, but we expect our research and development costs, as a percentage of our revenue, to decrease as our business further scales and R&D efficiency improves.

Broadening and Deepening Customer Engagement

We generate our revenue primarily from the provision of cloud-based services and software products for enterprise customers, and therefore, our growth depends, to a large extent, on our ability to attract new customers. Adhering to our tiered customer strategy, we have established an expansive customer base that spans micro and small enterprises ("**MSE**") to large conglomerates, as well public sector organizations, covering a diverse array of industries. To meet the diverse needs of these customer segments, we offer differentiated offerings such as *YonBIP* for large enterprises and *YonSuite* for medium-sized companies. As of March 31, 2026, we had served 78% of Fortune China 500 companies in 2025. We have also expanded our customer coverage by implementing our global development strategy, and we had served over 1,800 customers outside of Chinese Mainland as of March 31, 2026.

We strive to maintain stable and long-term customer relationships by delivering high-quality products and services and focusing on customer success. Through continuous product iteration and deep engagement in customers' digital and intelligent transformation, we have strengthened customer stickiness, with the dollar retention rate for Yonyou BIP consistently exceeding 90% during the Track Record Period. We will continue to identify customer needs and upgrade our product and technology offerings to drive up-selling and cross-selling.

Ability to Improve Our Product Standardization

We have been steadily improving product standardization, which streamlines development, reduces complexity, and enhances operational efficiency. By embedding more functionalities and features into our standardized products and services, we increase the value of our offerings and address broader market needs, which will contribute to revenue growth. A standardized yet feature-rich offering attracts more customers, reduces sales cycles, and enables up-selling opportunities through premium modules or tiered subscriptions. While standardization requires significant upfront investment, once launched, standardized products can be sold repeatedly with minimal additional cost and can lead to higher long-term margin. As we increase the proportion of standardized products incorporating advanced features, we will drive greater market penetration and further strengthen our competitive position.

Cost Control and Operational Efficiency

Our ability in cost management is pivotal to improving our overall profitability. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales was RMB4,791.1 million, RMB4,760.3 million, RMB4,589.3 million, RMB830.5 million and RMB798.8 million, respectively, accounting for 50.7%, 54.0%, 51.8%, 63.5% and 57.8% of our total revenue in the same periods, respectively. Our cost of sales as a percentage of our total revenue increased from 2023 to 2024, primarily due to increased delivery costs and efforts to ensure a high-quality delivery experience for our newly launched Yonyou BIP product series. Our cost of sales as a percentage of our total revenue decreased in 2025 and from the three months ended March 31, 2025 to the three months ended March 31, 2026, primarily attributable to enhanced delivery efficiency and product maturity. To optimize our cost structure and increase delivery efficiency, we intend to adopt more automated delivery tools, enhance our standardized product offering to reduce extensive customization, and deepen ecosystem collaboration with professional service partners to utilize their product delivery capacity.

Our ability to manage and control our operating expenses is also critical to the success of our business. See "— Commitment to Product Leadership Anchored in Innovation" for details on our research and development costs. Our sales and marketing expenses were RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of our total revenue in the same periods, respectively. Our administrative expenses were RMB1,113.4 million, RMB1,225.9 million, RMB1,083.3 million, RMB315.8 million and RMB343.5 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for 11.8%, 13.9%, 12.2%, 24.2% and 24.8% of our total revenue in the same periods, respectively. As we expand our business and improve our operating efficiency, we expect to benefit from enhanced economies of scale.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompany disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. See Notes 4 and 5 to the Accountants' Report set out in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**9,442,538**	**100.0**	**8,817,429**	**100.0**	**8,862,267**	**100.0**	**1,307,225**	**100.0**	**1,382,643**	**100.0**
Cost of sales	(4,791,104)	(50.7)	(4,760,273)	(54.0)	(4,589,269)	(51.8)	(830,543)	(63.5)	(798,812)	(57.8)
Gross profit	**4,651,434**	**49.3**	**4,057,156**	**46.0**	**4,272,998**	**48.2**	**476,682**	**36.5**	**583,831**	**42.2**
Other income and gains/(losses), net	847,652	9.0	607,029	6.9	760,156	8.6	217,197	16.6	170,791	12.4
Research and development costs	(2,106,470)	(22.3)	(2,121,782)	(24.1)	(2,285,525)	(25.8)	(559,823)	(42.8)	(579,179)	(41.9)
Sales and marketing expenses	(2,742,894)	(29.0)	(2,621,739)	(29.7)	(2,442,600)	(27.6)	(454,897)	(34.8)	(449,041)	(32.5)
Administrative expenses	(1,113,426)	(11.8)	(1,225,945)	(13.9)	(1,083,288)	(12.2)	(315,838)	(24.2)	(343,528)	(24.8)
Impairment losses on financial and contract assets	(218,524)	(2.3)	(296,791)	(3.4)	(269,862)	(3.0)	(65,457)	(5.0)	(60,110)	(4.3)
Other expenses	(113,715)	(1.2)	(333,554)	(3.8)	(202,699)	(2.3)	(22,302)	(1.7)	(22,432)	(1.6)
Finance expenses	(170,860)	(1.8)	(178,859)	(2.0)	(176,602)	(2.0)	(45,061)	(3.4)	(38,450)	(2.8)
Share of profits and losses of:										
– A joint venture	(122)	0.0	(872)	0.0	—	—	—	—	—	—
– Associates	56,923	0.6	39,109	0.4	58,400	0.7	5,831	0.4	(14,479)	(1.0)
Loss before tax	**(910,002)**	**(9.6)**	**(2,076,248)**	**(23.5)**	**(1,369,022)**	**(15.4)**	**(763,668)**	**(58.4)**	**(752,597)**	**(54.4)**
Income tax (expense)/ credit	(23,236)	(0.2)	6,416	0.1	17,924	0.2	7,327	0.6	8,211	0.6
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Attributable to:										
– Owners of the parent	(967,165)	(10.2)	(2,061,309)	(23.4)	(1,389,223)	(15.7)	(735,789)	(56.3)	(722,585)	(52.3)
– Non-controlling interests	33,927	0.4	(8,523)	(0.1)	38,125	0.4	(20,552)	(1.6)	(21,801)	(1.6)
	(933,238)	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Other comprehensive income for the year/period, net of tax	3,350	0.0	2,779	0.0	5,178	0.1	(4,763)	(0.4)	(3,695)	(0.3)
Total comprehensive income/(loss) for the year/period	**(929,888)**	**(9.8)**	**(2,067,053)**	**(23.4)**	**(1,345,920)**	**(15.2)**	**(761,104)**	**(58.2)**	**(748,081)**	**(54.1)**

NON-IFRS MEASURES

To supplement our consolidated financial statements, we use adjusted net profit/(loss) (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. However, our presentation of adjusted net profit/(loss) (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures as an analytical tool has limitations, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit/(loss) (non-IFRS measure) as profit/(loss) for the year/period adjusted by adding back share-based compensation expenses. The following table reconciles our adjusted net profit/(loss) (non-IFRS measure) for the periods presented in accordance with IFRS, which is profit/(loss) for the year/period:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Reconciliation of loss for the year/period to adjusted net loss (non-IFRS measure)										
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Add:										
Share-based compensation expenses[(1)]	42,214	0.4	79,020	0.9	34,206	0.4	10,550	0.8	4,873	0.3
Adjusted net profit/(loss) (non-IFRS measure)	**(891,024)**	**(9.4)**	**(1,990,812)**	**(22.6)**	**(1,316,892)**	**(14.9)**	**(745,791)**	**(57.1)**	**(739,513)**	**(53.5)**

(1) Share-based compensation expenses mainly represent the non-cash employee benefit expenses incurred in connection with our award to management and key employees. Such expenses in any specific year/period are not expected to result in future cash payments.

We define EBITDA (non-IFRS measure) as profit/(loss) for the year/period, adjusted by adding back income tax expense/(credit), finance expenses, depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortization of other intangible assets, and less bank interest income under other income and gains, net. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back share-based compensation expenses. The following table reconciles our EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the periods presented in accordance with IFRS, which is profit/(loss) for the year/period:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Reconciliation of loss for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)										
Loss for the year/period	**(933,238)**	**(9.9)**	**(2,069,832)**	**(23.5)**	**(1,351,098)**	**(15.2)**	**(756,341)**	**(57.9)**	**(744,386)**	**(53.8)**
Add:										
Income tax expense/(credit)	23,236	0.2	(6,416)	(0.1)	(17,924)	(0.2)	(7,327)	(0.6)	(8,211)	(0.6)
Finance expenses	170,860	1.8	178,859	2.0	176,602	2.0	45,061	3.4	38,450	2.8
Depreciation of property, plant and equipment	144,897	1.5	138,438	1.6	124,273	1.4	30,088	2.3	30,804	2.2
Depreciation of right-of-use assets	89,176	0.9	82,839	0.9	67,326	0.8	17,922	1.4	15,678	1.1
Amortization of other intangible assets	702,096	7.4	988,162	11.2	1,232,108	13.9	306,239	23.4	345,420	25.0
Less:										
Bank interest income	104,817	1.1	67,462	0.8	42,902	0.5	14,018	1.1	8,697	0.6
EBITDA (non-IFRS measure)	**92,210**	**1.0**	**(755,412)**	**(8.6)**	**188,385**	**2.1**	**(378,376)**	**(28.9)**	**(330,942)**	**(23.9)**
Add:										
Share-based compensation expenses	42,214	0.4	79,020	0.9	34,206	0.4	10,550	0.8	4,873	0.3
Adjusted EBITDA (non-IFRS measure)	**134,424**	**1.4**	**(676,392)**	**(7.7)**	**222,591**	**2.5**	**(367,826)**	**(28.1)**	**(326,069)**	**(23.6)**

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Our revenue was RMB9,442.5 million, RMB8,817.4 million, RMB8,862.3 million, RMB1,307.2 million and RMB1,382.6 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. During the Track Record Period, we primarily generated revenue from the provision of cloud-based services, mainly including *YonBIP*, *YonSuite*, *U9 cloud*, products offered by Chanjet, and our industry-specific solutions, as well as software products. We provide our cloud-based services and software products on subscription and/or license fee model. To ensure a seamless customer experience and drive long-term value realization, we also provide a suite of implementation, product support, and maintenance services. The following table sets forth the breakdown of our revenue by product and service types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Cloud-based services	7,047,540	74.6	6,803,966	77.2	7,017,404	79.2	1,040,895	79.6	1,125,726	81.4
Software products	2,163,665	22.9	1,708,513	19.4	1,512,118	17.1	208,530	16.0	201,721	14.6
Others	231,333	2.5	304,950	3.4	332,745	3.7	57,800	4.4	55,196	4.0
Total	**9,442,538**	**100.0**	**8,817,429**	**100.0**	**8,862,267**	**100.0**	**1,307,225**	**100.0**	**1,382,643**	**100.0**

During the Track Record Period, our revenue from cloud-based services increased as a percentage of our total revenue, primarily driven by the transition toward promoting our new-generation cloud-based services, particularly our Yonyou BIP product series. In addition to sales of our cloud-based services and software products, we provided certain complementary services, including sales of third-party products to better support our customers in their adoption and use of our cloud-based services and software products, as well as insurance brokerage services. Revenue from such other services increased from 2023 to 2025, and remained relatively stable from the three months ended March 31, 2025 to the three months ended March 31, 2026, primarily due to changes in customer demand.

The following table sets forth the breakdown of our revenue by geographical location for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Chinese Mainland	9,238,147	97.8	8,599,265	97.5	8,558,341	96.6	1,272,354	97.3	1,306,689	94.5
Other countries/regions	204,391	2.2	218,164	2.5	303,926	3.4	34,871	2.7	75,954	5.5
Total	**9,442,538**	**100.0**	**8,817,429**	**100.0**	**8,862,267**	**100.0**	**1,307,225**	**100.0**	**1,382,643**	**100.0**

The following table sets forth the breakdown of our revenue from cloud-based services and software products by customer types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Large enterprises	6,137,728	66.6	5,504,714	64.7	5,602,074	65.7	737,034	59.0	782,259	58.9
Medium-sized companies	1,365,381	14.8	1,236,716	14.5	1,077,490	12.6	177,143	14.2	203,279	15.3
MSEs	798,930	8.7	956,149	11.2	1,087,983	12.8	235,079	18.8	265,428	20.0
Other customers[(1)]	909,166	9.9	814,900	9.6	761,975	8.9	100,169	8.0	76,481	5.8
Total	**9,211,205**	**100.0**	**8,512,479**	**100.0**	**8,529,522**	**100.0**	**1,249,425**	**100.0**	**1,327,447**	**100.0**

(1) Primarily including public sector organizations.

We have continuously expanded our customer coverage across large enterprises, medium-sized companies, and MSEs, as well as public sector organizations. A majority of our revenue was derived from large enterprise customers, demonstrating our strong capabilities to meet the complex product development and delivery requirements of large enterprise customers. We maintained a proven track record of providing end-to-end services for large enterprises, which enables us to develop a suite of proven, standardized, and replicable products and services and extend our market reach to medium-sized companies and MSEs. The following table sets forth the breakdown of our cloud-based services revenue by customer types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Large enterprises	4,702,098	66.7	4,289,379	63.0	4,426,794	63.1	576,397	55.4	634,753	56.4
Medium-sized companies	859,229	12.2	926,339	13.6	929,914	13.3	151,849	14.6	175,218	15.6
MSEs	739,524	10.5	904,091	13.3	1,031,992	14.7	228,546	22.0	255,806	22.7
Other customers[(1)]	746,689	10.6	684,157	10.1	628,704	8.9	84,103	8.0	59,949	5.3
Total	**7,047,540**	**100.0**	**6,803,966**	**100.0**	**7,017,404**	**100.0**	**1,040,895**	**100.0**	**1,125,726**	**100.0**

(1) Primarily including public sector organizations.

Cost of Sales

Our cost of sales was RMB4,791.1 million, RMB4,760.3 million, RMB4,589.3 million, RMB830.5 million and RMB798.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our cost of sales primarily consisted of (i) staff costs, mainly representing salaries, allowances, benefits and share-based compensation for staff responsible for product and service delivery; (ii) professional service costs, representing service fees paid to our professional service partners for implementation services; (iii) costs related to procurement of public cloud resources, representing the purchase of third-party public cloud computing services; (iv) travel expenses, incurred by our delivery team; (v) depreciation and amortization, primarily comprising depreciation of our equipment used for

product and service delivery; and (vi) others, primarily representing procurement of third-party products. The following table sets forth the breakdown of our cost of sales by nature, both in absolute amounts and as a percentage of our total cost of sales, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Staff costs	2,633,304	55.0	2,686,595	56.4	2,390,415	52.1	520,207	62.6	509,041	63.7
Professional service costs	1,464,639	30.6	1,355,091	28.5	1,607,857	35.0	208,578	25.1	221,296	27.7
Costs related to procurement of public cloud resources	56,012	1.2	85,359	1.8	85,487	1.9	22,589	2.7	24,911	3.1
Travel expenses	275,056	5.7	239,407	5.0	176,242	3.8	10,659	1.3	8,987	1.1
Depreciation and amortization	147,218	3.1	130,526	2.7	91,969	2.0	24,702	3.0	6,425	0.8
Others	214,875	4.4	263,295	5.6	237,299	5.2	43,808	5.3	28,152	3.6
Total	**4,791,104**	**100.0**	**4,760,273**	**100.0**	**4,589,269**	**100.0**	**830,543**	**100.0**	**798,812**	**100.0**

Gross Profit and Gross Profit Margin

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our gross profit was RMB4,651.4 million, RMB4,057.2 million, RMB4,273.0 million, RMB476.7 million and RMB583.8 million, representing a gross profit margin of 49.3%, 46.0%, 48.2%, 36.5% and 42.2%, respectively. The following table sets forth the breakdown of our gross profit and gross profit margin by product types for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)									
							(unaudited)			
Cloud-based services	3,320,578	47.1	3,064,143	45.0	3,496,551	49.8	358,258	34.4	468,977	41.7
Large enterprises	1,730,315	36.8	1,365,403	31.8	1,683,923	38.0	50,068	8.7	152,414	24.0
Medium-sized companies	575,158	66.9	626,936	67.7	675,955	72.7	100,920	66.5	118,956	67.9
MSEs	481,429	65.1	640,161	70.8	715,178	69.3	157,191	68.8	163,955	64.1
Other customers	533,676	71.5	431,643	63.1	421,495	67.0	50,079	59.5	33,652	56.1
Software products	1,297,527	60.0	967,017	56.6	725,963	48.0	110,291	52.9	110,012	54.5
Others	33,329	14.4	25,996	8.5	50,484	15.2	8,133	14.1	4,842	8.8
Total	**4,651,434**	**49.3**	**4,057,156**	**46.0**	**4,272,998**	**48.2**	**476,682**	**36.5**	**583,831**	**42.2**

Adhering to our transition toward promoting our new-generation cloud-based services, we experienced a period of revenue and profitability volatility. Compared to our software products, the gross profit margin of our cloud-based services was relatively lower, primarily due to (i) the heightened delivery complexity and prolonged delivery cycle attributable to the sophisticated business and delivery requirement of our top-tier customers, and (ii) ongoing product delivery refinement as we began to promote our new-generation, cloud-based services to ensure smooth customer experience.

Other Income and Gains/(Losses), Net

Our other income primarily consisted of (i) value-added tax ("**VAT**") refunds, (ii) rental income in relation to certain vacant units of our self-owned properties that we leased out, (iii) bank interest income, (iv) government grants and other tax refunds, primarily representing non-recurring government grants provided to support technological R&D and industrial advancement, (v) additional deduction of input VAT, and (vi) dividend income from financial assets at fair value through profit or loss. Our other gains/(losses), net consisted of (i) fair value gains/(losses), net in relation to wealth management products and equity investments at FVTPL, third-party interests in consolidated structured entities and derivative financial instruments, and (ii) others, primarily representing the disposal of one of our held-for-sale assets. The following table sets forth the breakdown of our other income and gains/(losses), net for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	RMB	RMB	RMB	RMB	RMB
	(RMB in thousands)				
				(unaudited)	
Other income					
VAT refunds	259,438	244,239	209,434	74,485	75,984
Rental income	212,867	196,597	185,174	44,068	48,634
Bank interest income	104,817	67,462	42,902	14,018	8,697
Government grants and other tax refunds	124,441	46,950	72,673	8,068	13,309
Additional deduction of input VAT	14,798	663	—	—	—
Dividend income from financial assets at fair value through profit or loss	691	9,147	1,595	—	—
Others	84,058	84,734	90,328	19,016	21,669
Subtotal	**801,110**	**649,792**	**602,106**	**159,655**	**168,293**
Other gains/(losses), net					
Fair value gains/(losses), net:					
– Wealth management products at fair value through profit or loss	25,908	23,832	15,210	2,567	3,728
– Equity investments at fair value through profit or loss	(30,425)	(98,868)	104,921	53,857	(263)
– Third-party interests in consolidated structured entities	(3,866)	23,397	22,392	1,223	(1,344)
– Derivative financial instruments	—	1,807	—	—	—
Others	54,925	7,069	15,527	(105)	377
Subtotal	**46,542**	**(42,763)**	**158,050**	**57,542**	**2,498**
Total	**847,652**	**607,029**	**760,156**	**217,197**	**170,791**

Research and Development Costs

Our research and development costs primarily consisted of (i) depreciation and amortization, comprising depreciation of equipment used in our R&D activities and amortization of our software copyrights, (ii) staff costs, representing salaries, allowances, benefits and share-based compensation for our R&D personnel, (iii) professional service fees, primarily representing payments to third parties in relation to outsourcing of our non-core R&D work, and (iv) others, comprising travel expenses, rental expenses, office expenses and conference expenses, associated with our R&D activities. Our research and development costs were RMB2,106.5 million, RMB2,121.8 million, RMB2,285.5 million, RMB559.8 million and RMB579.2 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 22.3%, 24.1%, 25.8%, 42.8% and 41.9% of our total revenue in the same periods, respectively. The following table sets forth the breakdown of our research and development costs by nature, both as absolute amounts and as a percentage of our total research and development costs, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Depreciation and amortization	518,061	24.6	816,909	38.5	1,067,625	46.7	262,678	46.9	320,621	55.4
Staff costs	1,447,182	68.7	1,191,938	56.2	1,136,623	49.7	284,957	50.9	247,217	42.7
Professional service fees	55,353	2.6	33,466	1.6	18,720	0.8	3,695	0.7	2,953	0.5
Others	85,874	4.1	79,469	3.7	62,557	2.8	8,493	1.5	8,388	1.4
Total	**2,106,470**	**100.0**	**2,121,782**	**100.0**	**2,285,525**	**100.0**	**559,823**	**100.0**	**579,179**	**100.0**

Sales and Marketing Expenses

Our sales and marketing expenses primarily consisted of (i) staff costs, representing salaries, allowances, benefits and share-based compensation for our sales and marketing personnel, (ii) promotion expenses, representing primarily commission fees for our sales partners and marketing expenses incurred by our sales and marketing personnel, (iii) professional service fees, mainly in relation to our marketing and promotion events, and (iv) others, comprising travel expenses, office expenses, rental expenses, and depreciation and amortization in relation to our sales and marketing activities. Our sales and marketing expenses were RMB2,742.9 million, RMB2,621.7 million, RMB2,442.6 million, RMB454.9 million and RMB449.0 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 29.0%, 29.7%, 27.6%, 34.8% and 32.5% of our total revenue in the same periods, respectively. The following table sets forth the breakdown of our sales and marketing expenses by nature, both as absolute amounts and as a percentage of our total sales and marketing expenses, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Staff costs	2,016,444	73.5	1,850,279	70.6	1,702,065	69.7	360,191	79.2	355,951	79.3
Promotion expenses	451,365	16.5	546,463	20.8	541,412	22.2	84,173	18.5	78,041	17.4
Professional service fees	34,149	1.2	34,959	1.3	48,787	2.0	4,100	0.9	7,035	1.6
Others	240,936	8.8	190,038	7.3	150,336	6.1	6,433	1.4	8,014	1.7
Total	**2,742,894**	**100.0**	**2,621,739**	**100.0**	**2,442,600**	**100.0**	**454,897**	**100.0**	**449,041**	**100.0**

Administrative Expenses

Our administrative expenses primarily consisted of (i) staff costs, representing salaries, allowances, benefits and share-based compensation for our administrative personnel, (ii) rental expenses, primarily related to office premises, property management fees and utilities incurred by administrative personnel, (iii) depreciation and amortization, comprising primarily depreciation of properties and office equipment used for our administrative activities (iv) professional service fees, comprising third-party service fees such as audit and legal fees, (v) travel and hospitality expenses, and (vi) others, including office expenses and miscellaneous expenses associated with daily business operations and management activities. Our administrative expenses were RMB1,113.4 million, RMB1,225.9 million, RMB1,083.3 million, RMB315.8 million and RMB343.5 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 11.8%, 13.9%, 12.2%, 24.2% and 24.8% of our total revenue in the same periods, respectively. The following table sets forth the breakdown of our administrative expenses by nature, both as absolute amounts and as a percentage of our total administrative expenses, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Staff costs	604,123	54.3	740,724	60.4	624,075	57.6	208,368	66.0	242,391	70.6
Rental expenses	190,133	17.1	173,728	14.2	167,860	15.5	52,786	16.7	44,893	13.1
Depreciation and amortization	172,513	15.5	170,596	13.9	175,037	16.2	41,252	13.1	41,427	12.1
Professional service fees	48,694	4.4	55,176	4.5	41,305	3.8	3,892	1.2	4,930	1.4
Travel and hospitality expenses	45,479	4.1	38,479	3.1	28,886	2.7	2,614	0.8	3,500	1.0
Others	52,484	4.6	47,242	3.9	46,125	4.2	6,926	2.2	6,387	1.8
Total	**1,113,426**	**100.0**	**1,225,945**	**100.0**	**1,083,288**	**100.0**	**315,838**	**100.0**	**343,528**	**100.0**

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets primarily related to our trade receivables, contract assets and other receivables. Our impairment losses on financial and contract assets were RMB218.5 million, RMB296.8 million, RMB269.9 million, RMB65.5 million and RMB60.1 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for 2.3%, 3.4%, 3.0%, 5.0% and 4.3% of our total revenue in the same periods, respectively.

Other Expenses

Our other expenses primarily consisted of non-operating expenses, impairment losses in relation to goodwill and long-term equity investments, and taxes and surcharges. Our other expenses were RMB113.7 million, RMB333.6 million, RMB202.7 million, RMB22.3 million and RMB22.4 million in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, accounting for 1.2%, 3.8%, 2.3%, 1.7% and 1.6% of our total revenue in the same periods, respectively.

Finance Expenses

Our finance expenses primarily consisted of interest on bank loans and lease liabilities. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our finance expenses amounted to RMB170.9 million, RMB178.9 million, RMB176.6 million, RMB45.1 million and RMB38.5 million, respectively, representing 1.8%, 2.0%, 2.0%, 3.4% and 2.8% of our total revenue in the same periods, respectively. The following table sets forth the breakdown of our finance expenses, both in absolute amounts and as a percentage of our total finance expenses, for the periods indicated:

	For the year ended December 31,						For the three months ended March 31,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)									
							(unaudited)			
Interest on bank loans	169,109	99.0	189,006	105.7	170,935	96.8	43,931	97.5	32,910	85.6
Interest on lease liabilities	7,753	4.5	4,487	2.5	4,077	2.3	1,081	2.4	1,106	2.9
Others	3,348	2.0	557	0.3	1,590	0.9	49	0.1	4,434	11.5
Less:										
Interest capitalized	9,350	5.5	15,191	8.5	—	—	—	—	—	—
Total	**170,860**	**100.0**	**178,859**	**100.0**	**176,602**	**100.0**	**45,061**	**100.0**	**38,450**	**100.0**

Share of Profits and Losses, Net

Our share of profits and losses, net of associates and a joint venture represented our proportionate share of the net results of these entities. Our share of profits, net of associates and a joint venture was RMB56.8 million, RMB38.2 million, RMB58.4 million and RMB5.8 million in 2023, 2024, 2025 and the three months ended March 31, 2025, respectively, accounting for 0.6%, 0.4%, 0.7% and 0.4% of our total revenue in the same periods, respectively. Our share of losses, net of associates and a joint venture was RMB14.5 million in the three months ended March 31, 2026, accounting for 1.0% of our total revenue in the same period.

Income Tax (Expense)/Credit

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to our Company and our subsidiaries which are registered in Chinese Mainland during the Track Record Period. Our Company and certain subsidiaries were subject to a preferential income tax rate of 15% as qualified high and new technology enterprises and entitled to deduct qualifying research and development costs from taxable profit during the Track Record Period. Taxation for other companies of our Group located outside of Chinese Mainland has been calculated based on the estimated assessable profits during the Track Record Period at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

We incurred income tax expenses of RMB23.2 million in 2023, primarily attributable to the income tax obligations of certain of our subsidiaries and deductible temporary differences not recognized. We had income tax credit of RMB6.4 million, RMB17.9 million, RMB7.3 million and RMB8.2 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, primarily due to our operating losses and the preferential tax treatment enjoyed by us. As of the Latest Practicable Date, we did not have any material unresolved tax disputes with the relevant authorities.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months ended March 31, 2025 Compared to Three Months ended March 31, 2026

Revenue

Our revenue increased by 5.8% from RMB1,307.2 million in the three months ended March 31, 2025 to RMB1,382.6 million in the three months ended March 31, 2026, primarily due to the following reasons:

- *Cloud-based services*. Our revenue from cloud-based services increased from RMB1,040.9 million in the three months ended March 31, 2025 to RMB1,125.7 million in the three months ended March 31, 2026.

    - *Large enterprises*. Our revenue from cloud-based services from large enterprises increased from RMB576.4 million in the three months ended March 31, 2025 to RMB634.8 million in the three months ended March 31, 2026, primarily driven by the growing demand for our cloud-based services as large enterprise customers continued to advance their digital and intelligent transformation, together with the enhanced maturity of *YonBIP* which improved implementation efficiency and enabled us to complete more product deliveries. The number of large enterprise customers of our cloud-based services increased from 4,994 in the three months ended March 31, 2025 to 5,364 in the three months ended March 31, 2026.

    - *Medium-sized companies*. Our revenue from cloud-based services from medium-sized companies increased from RMB151.8 million in the three months ended March 31, 2025 and RMB175.2 million in the three months ended March 31, 2026, primarily due to the increase in customer demand and the maturity of *YonSuite* which improved implementation efficiency and enabled us to complete more product deliveries. The number of medium-sized enterprise customers of our cloud-based services increased from 11,639 in the three months ended March 31, 2025 to 14,333 in the three months ended March 31, 2026.

    - *MSEs*. Our revenue from cloud-based services from MSEs increased from RMB228.5 million in the three months ended March 31, 2025 to RMB255.8 million in the three months ended March 31, 2026, primarily due to the increase in customer demands for our products. The number of MSE customers of our cloud-based services increased from 414,513 in the three months ended March 31, 2025 to 545,839 in the three months ended March 31, 2026.

- *Other customers*. Our revenue from cloud-based services from other customers decreased from RMB84.1 million in the three months ended March 31, 2025 to RMB59.9 million in the three months ended March 31, 2026, primarily due to the tighter IT budget among government and public institution customers influenced by broader economic factors.

- *Software products*. Our revenue from software products slightly decreased from RMB208.5 million in the three months ended March 31, 2025 to RMB201.7 million in the three months ended March 31, 2026, as we focused on promoting and offering cloud-based services and gradually phased out certain software products or ceased the iteration of some of their functions.

- *Others*. Our revenue from others remained relatively stable at RMB57.8 million in the three months ended March 31, 2025 and RMB55.2 million in the three months ended March 31, 2026.

Cost of Sales

Our cost of sales decreased by 3.8% from RMB830.5 million in the three months ended March 31, 2025 to RMB798.8 million in the three months ended March 31, 2026, primarily attributable to (i) a decrease of RMB18.3 million in depreciation and amortization primarily related to the decrease in project-related leased premises; and (ii) a decrease of RMB11.2 million in staff costs as a result of improved delivery efficiency driven by increased product standardization, which reduced the level of implementation resources required.

Gross Profit and Gross Profit Margin

Our gross profit increased by 22.5% from RMB476.7 million in the three months ended March 31, 2025 to RMB583.8 million in the three months ended March 31, 2026, and our gross profit margin increased from 36.5% in the three months ended March 31, 2025 to 42.2% in the three months ended March 31, 2026.

- *Cloud-based services*. Our gross profit margin in relation to cloud-based services increased from 34.4% in the three months ended March 31, 2025 to 41.7% in the three months ended March 31, 2026.

  - *Large enterprises*. Our gross profit margin in relation to cloud-based services provided to large enterprises increased from 8.7% in the three months ended March 31, 2025 to 24.0% in the three months ended March 31, 2026, primarily because *YonBIP* became maturer and increasingly capable of addressing customer needs with more standardized modules and functionality, which enabled us to streamline our delivery process and reduce the level of implementation resources required.

  - *Medium-sized companies*. Our gross profit margin in relation to cloud-based services provided to medium-sized companies remained relatively stable at 66.5% in the three months ended March 31, 2025 and 67.9% in the three months ended March 31, 2026.

  - *MSEs*. Our gross profit margin in relation to cloud-based services provided to MSEs slightly decreased from 68.8% in the three months ended March 31, 2025 to 64.1% in the three months ended March 31, 2026, primarily due to the increased revenue contribution from third-party service offerings with a relatively lower margin profile.

  - *Other customers*. Our gross profit margin in relation to cloud-based services provided to other customers slightly decreased from 59.5% in the three months ended March 31, 2025 to 56.1% in the three months ended March 31, 2026, primarily because we maintained the scale of our implementation team to ensure service continuity and customer satisfaction with respect to our other customers, despite the decrease in revenue contribution from them.

- *Software products*. Our gross profit margin in relation to software products increased from 52.9% in the three months ended March 31, 2025 to 54.5% in the three months ended March 31, 2026, primarily due to the improved efficiency of our maintenance personnel as we continued to optimize our workforce structure in line with our strategic transition towards cloud-based services.

- *Others*. Our gross profit margin for others decreased from 14.1% in the three months ended March 31, 2025 to 8.8% in the three months ended March 31, 2026, primarily due to the increase in revenue contribution from third-party product sales with lower margin profile.

Other Income and Gains, Net

Our other income and gains, net decreased by 21.4% from RMB217.2 million in the three months ended March 31, 2025 to RMB170.8 million in the three months ended March 31, 2026, primarily attributable to a decrease of RMB54.1 million in equity investments at fair value through profit or loss recognized in the three months ended March 31, 2025.

Research and Development Costs

Our research and development costs increased by 3.5% from RMB559.8 million in the three months ended March 31, 2025 to RMB579.2 million in the three months ended March 31, 2026, primarily attributable to an increase of RMB57.9 million in depreciation and amortization in relation to the capitalized costs for developing and upgrading our Yonyou BIP, partially offset by a decrease of RMB37.7 million in staff costs, as a result of optimizing our R&D organizational structure, as the adoption of AI-powered development tools has improved our personnel productivity.

Sales and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB454.9 million in the three months ended March 31, 2025 and RMB449.0 million in the three months ended March 31, 2026.

Administrative Expenses

Our administrative expenses increased by 8.8% from RMB315.8 million in the three months ended March 31, 2025 to RMB343.5 million in the three months ended March 31, 2026, primarily attributable to an increase of RMB34.0 million in staff costs in relation to the one-off personnel-related costs incurred in connection with organizational adjustments.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets decreased by 8.2% from RMB65.5 million in the three months ended March 31, 2025 to RMB60.1 million in the three months ended March 31, 2026, mainly due to a decrease of RMB9.1 million in impairment of contract assets in connection with a more favorable aging structure.

Other Expenses

Our other expenses remained relatively stable at RMB22.3 million in the three months ended March 31, 2025 and RMB22.4 million in the three months ended March 31, 2026.

Finance Expenses

Our finance expenses decreased by 14.7% from RMB45.1 million in the three months ended March 31, 2025 to RMB38.5 million in the three months ended March 31, 2026, mainly due to a decrease of RMB11.0 million in interest on bank loans as a result of the decrease in our average bank loan balance.

Share of Profits and Losses, Net

We recorded share of net loss of associates of RMB14.5 million in the three months ended March 31, 2026, compared with share of net profit of associates of RMB5.8 million in the three months ended March 31, 2025, primarily due to the losses recorded by certain of our associates.

Income Tax Credit

Our income tax credit remained relatively stable at RMB7.3 million in the three months ended March 31, 2025 and RMB8.2 million in the three months ended March 31, 2026.

Loss for the Period

As a result of the foregoing, we recorded a loss of RMB756.3 million and RMB744.4 million in the three months ended March 31, 2025 and 2026, respectively.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue slightly increased by 0.5% from RMB8,817.4 million in 2024 to RMB8,862.3 million in 2025, primarily due to the following reasons:

- *Cloud-based services*. Our revenue from cloud-based services increased from RMB6,804.0 million in 2024 to RMB7,017.4 million in 2025.
  - *Large enterprises*. Our revenue from cloud-based services from large enterprises increased from RMB4,289.4 million in 2024 to RMB4,426.8 million in 2025, primarily driven by the growing demand for our cloud-based services as large enterprise customers continued to advance their digital and

intelligent transformation, together with the enhanced maturity of YonBIP which improved implementation efficiency and enabled us to complete more product deliveries. The number of large enterprise customers of our cloud-based services increased from 6,793 in 2024 to 6,838 in 2025.

- *Medium-sized companies*. Our revenue from cloud-based services from medium-sized companies remained relatively stable at RMB926.3 million in 2024 and RMB929.9 million in 2025.
- *MSEs*. Our revenue from cloud-based services from MSEs increased from RMB904.1 million in 2024 to RMB1,032.0 million in 2025, primarily due to the increase in customer demands for our products. The number of MSE customers of our cloud-based services increased from 514,137 in 2024 to 545,449 in 2025.
- *Other customers*. Our revenue from cloud-based services from other customers decreased from RMB684.2 million in 2024 to RMB628.7 million in 2025, primarily due to the tighter IT budget among government and public institution customers influenced by broader economic factors.

- *Software products*. Our revenue from software products decreased from RMB1,708.5 million in 2024 to RMB1,512.1 million in 2025, primarily because we focused on promoting and offering cloud-based services and gradually phased out certain software products or ceased the iteration of some of their functions.
- *Others*. Our revenue from others increased from RMB305.0 million in 2024 to RMB332.7 million in 2025, primarily due to the increased adoption of our insurance brokerage services.

Cost of Sales

Our cost of sales decreased by 3.6% from RMB4,760.3 million in 2024 to RMB4,589.3 million in 2025, primarily attributable to (i) a decrease of RMB296.2 million in staff costs; (ii) a decrease of RMB63.2 million in travel expenses incurred in relation to our product implementation activities, both as a result of the streamlining of our implementation and delivery team; and (iii) a decrease of RMB38.6 million in depreciation and amortization primarily due to the decrease in project-related leased premises.

Gross Profit and Gross Profit Margin

Our gross profit increased by 5.3% from RMB4,057.2 million in 2024 to RMB4,273.0 million in 2025, and our gross profit margin increased from 46.0% in 2024 to 48.2% in 2025.

- *Cloud-based services.* Our gross profit margin in relation to cloud-based services increased from 45.0% in 2024 to 49.8% in 2025.
  - *Large enterprises*. Our gross profit margin in relation to cloud-based services provided to large enterprises increased from 31.8% in 2024 to 38.0% in 2025, primarily because since the launch of *YonBIP* for two years, our product became maturer and increasingly capable of addressing customer needs with more standardized modules and functionality, which enabled us to streamline our delivery process and reduce the level of implementation resources required.

  - *Medium-sized companies*. Our gross profit margin in relation to cloud-based services provided to medium-sized companies increased from 67.7% in 2024 to 72.7% in 2025, primarily because we began to promote more standardized YonSuite with less implementation requirements, and were thus able to develop more customers. As a result, the sales of such standard products with higher profit margin increased as a percentage of our total sales to medium-sized enterprise customers, and our gross profit increased.
  - *MSEs*. Our gross profit margin in relation to cloud-based services provided to MSEs remained relatively stable at 70.8% in 2024 and 69.3% in 2025.
  - *Other customers*. Our gross profit margin in relation to cloud-based services provided to other customers increased from 63.1% in 2024 to 67.0% in 2025, primarily due to the increase in operating efficiency through more streamlined workforce structure.
- *Software products*. Our gross profit margin in relation to software products decreased from 56.6% in 2024 to 48.0% in 2025, primarily due to the ongoing need to maintain a certain level of maintenance personnel to support the sales of our software products, while the overall revenue contribution from software products decreased.
- *Others*. Our gross profit margin for others increased from 8.5% in 2024 to 15.2% in 2025, primarily due to the increase in revenue contribution from insurance products with higher commission rates.

Other Income and Gains, Net

Our other income and gains, net increased by 25.2% from RMB607.0 million in 2024 to RMB760.2 million in 2025, primarily due to gains from the disposal of certain equity investments by us during the year.

Research and Development Costs

Our research and development costs increased by 7.7% from RMB2,121.8 million in 2024 to RMB2,285.5 million in 2025, primarily due to an increase of RMB250.7 million in depreciation and amortization in relation to the capitalized costs for developing and upgrading our Yonyou BIP.

Sales and Marketing Expenses

Our sales and marketing expenses decreased by 6.8% from RMB2,621.7 million in 2024 to RMB2,442.6 million in 2025, primarily due to the decrease of RMB148.2 million in staff costs, as a result of streamlining our sales and marketing team.

Administrative Expenses

Our administrative expenses decreased from RMB1,225.9 million in 2024 to RMB1,083.3 million in 2025, primarily due to a decrease of RMB116.6 million in staff costs as a result of streamlining our administrative team.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets decreased from RMB296.8 million in 2024 to RMB269.9 million in 2025, primarily due to a decrease of RMB80.2 million in impairment of financial assets, primarily in relation to the decrease in impairment provision for trade receivables as certain projects had been adequately provided for in previous year, partially offset by an increase of RMB53.2 million in impairment of contract assets in line with our business growth.

Other Expenses

Our other expenses decreased by 39.2% from RMB333.6 million in 2024 to RMB202.7 million in 2025, primarily in relation to the decrease in impairment losses on goodwill and the impairment of one of our long-term equity investments.

Finance Expenses

Our finance expenses remained relatively stable at RMB178.9 million in 2024 and RMB176.6 million in 2025.

Share of Profits, Net

Our share of profits, net of a joint venture and associates increased from RMB38.2 million in 2024 to RMB58.4 million in 2025, primarily attributable to the increase of RMB19.3 million in share of profits of associates, as a result of the increase in profit of our associates.

Income Tax Credit

Our income tax credit increased from RMB6.4 million in 2024 to RMB17.9 million in 2025. See "— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Income Tax (Expense)/Credit" for details.

Loss for the Year

For the foregoing reasons, we incurred loss for the year of RMB2,069.8 million in 2024 and RMB1,351.1 million in 2025, respectively.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue decreased by 6.6% from RMB9,442.5 million in 2023 to RMB8,817.4 million in 2024, primarily due to the following reasons:

- *Cloud-based services*. Our revenue from cloud-based services decreased from RMB7,047.5 million in 2023 to RMB6,804.0 million in 2024, primarily due to the following reasons.

  - *Large enterprises*. Our revenue from cloud-based services from large enterprises decreased from RMB4,702.1 million in 2023 to RMB4,289.4 million in 2024, primarily because the complexity of the business operations of top-tier customers significantly increased the difficulty of product implementation and delivery, resulted in a slower product delivery pace and the corresponding revenue decline, and strained our internal resources to undertake product deliveries for new customers.
  - *Medium-sized companies*. Our revenue from cloud-based services from medium-sized companies increased from RMB859.2 million in 2023 to RMB926.3 million in 2024, primarily due to the increase in customer demand and the launch and expanded sales of *YonSuite* as a part of our strategy to promote more standardized cloud-based services. The number of medium-sized enterprise customers of our cloud-based services increased from 9,358 in 2023 to 13,206 in 2024.
  - *MSEs*. Our revenue from cloud-based services from MSEs increased from RMB739.5 million in 2023 to RMB904.1 million in 2024, primarily due to the increase in customer demands for our products. The number of MSE customers of our cloud-based services increased from 490,453 in 2023 to 514,137 in 2024.
  - *Other customers*. Our revenue from cloud-based services from other customers decreased from RMB746.7 million in 2023 to RMB684.2 million in 2024, primarily due to the deteriorated macroeconomic conditions led to reduced budget for IT spending by government and public institution customers.
- *Software products*. Our revenue from software products decreased from RMB2,163.7 million in 2023 to RMB1,708.5 million in 2024, primarily due to our focus on promoting and offering cloud-based services.
- *Others*. Our revenue from others increased from RMB231.3 million in 2023 to RMB305.0 million in 2024, primarily due to the increased adoption of our insurance brokerage services.

Cost of Sales

Our cost of sales remained relatively stable at RMB4,791.1 million in 2023 and RMB4,760.3 million in 2024.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 12.8% from RMB4,651.4 million in 2023 to RMB4,057.2 million in 2024, and our gross profit margin decreased from 49.3% in 2023 to 46.0% in 2024.

- *Cloud-based services*. Our gross profit margin in relation to cloud-based services decreased from 47.1% in 2023 to 45.0% in 2024, primarily due to the increased delivery costs attributable to (i) the heightened delivery complexity and prolonged delivery cycle as a result of the sophisticated business and delivery requirements of our top-tier customers, and (ii) ongoing product delivery refinement as we began to

promote our new-generation, cloud-based services to ensure smooth customer experience. In addition, the extended delivery cycle also led to delays in revenue recognition, further contributing to the decline in gross profit margin in 2024.

- *Large enterprises*. Our gross profit margin in relation to cloud-based services provided to large enterprises decreased from 36.8% in 2023 to 31.8% in 2024, primarily due to the increase in input of implementation personnel and other resources in connection with our product delivery as a result of the increase in product implementation complexity.
- *Medium-sized companies*. Our gross profit margin in relation to cloud-based services provided to medium-sized companies increased from 66.9% in 2023 to 67.7% in 2024, primarily because we began to promote more standardized *YonSuite* with less implementation requirements, and were thus able to develop more customers. As a result, the sales of such standard products with higher profit margin increased as a percentage of our total sales to medium-sized enterprise customers, and our gross profit increased.
- *MSEs*. Our gross profit margin in relation to cloud-based services provided to MSEs increased from 65.1% in 2023 to 70.8% in 2024, primarily due to the expansion of subscription of products offered by Chanjet.
- *Other customers*. Our gross profit margin in relation to cloud-based services provided to other customers decreased from 71.5% in 2023 to 63.1% in 2024, primarily because we maintained the scale of our implementation team to ensure service continuity and customer satisfaction with respect to our other customers, despite the decrease in revenue contribution from them.

- *Software products*. Our gross profit margin in relation to software products decreased from 60.0% in 2023 to 56.6% in 2024, primarily due to the ongoing need to maintain a certain level of maintenance personnel to support the sales of our software products, while the overall revenue contribution from software products decreased.
- *Others*. Our gross profit margin for others decreased from 14.4% in 2023 to 8.5% in 2024, primarily due to the increase in revenue contribution from third-party product sales with lower margin profile.

Other Income and Gains, Net

Our other income and gains, net decreased by 28.4% from RMB847.7 million in 2023 to RMB607.0 million in 2024, primarily due to (i) a decrease of RMB77.5 million in government grants, primarily because we received certain non-recurring government grants in 2023; (ii) an increase of RMB68.4 million in fair value losses of equity investments at FVTPL, primarily due to a decrease in valuations of our minority equity investments, including both listed and unlisted investments; and (iii) a decrease of RMB37.4 million in bank interest income, as a result of the decrease in our bank balances.

Research and Development Costs

Our research and development costs increased by 0.7% from RMB2,106.5 million in 2023 to RMB2,121.8 million in 2024, primarily due to an increase of RMB298.8 million in depreciation and amortization in relation to the capitalized costs for developing and upgrading our Yonyou BIP, partially offset by a decrease of RMB255.2 million in staff cost, as a result of streamlining our R&D team to improve R&D efficiency.

Sales and Marketing Expenses

Our sales and marketing expenses decreased by 4.4% from RMB2,742.9 million in 2023 to RMB2,621.7 million in 2024, primarily due to the decrease of RMB166.2 million in staff costs, as a result of streamlining our sales and marketing team.

Administrative Expenses

Our administrative expenses increased by 10.1% from RMB1,113.4 million in 2023 to RMB1,225.9 million in 2024, primarily due to an increase of RMB136.6 million in staff costs primarily due to the increase in one-off personnel-related costs incurred in connection with organizational adjustments.

Impairment Losses on Financial and Contract Assets

Our impairment losses on financial and contract assets increased by 35.8% from RMB218.5 million in 2023 to RMB296.8 million in 2024, primarily attributable to the increase in impairment losses on our financial assets, primarily as a result of the increase in our trade receivables and contract assets.

Other Expenses

Our other expenses increased significantly from RMB113.7 million in 2023 to RMB333.6 million in 2024, primarily in relation to the goodwill impairment of one of our subsidiaries.

Finance Expenses

Our finance expenses increased by 4.7% from RMB170.9 million in 2023 to RMB178.9 million in 2024, as a result of the increase in our bank loans.

Share of Profits, Net

Our share of profits, net of a joint venture and associates decreased by 32.7% from RMB56.8 million in 2023 to RMB38.2 million in 2024, primarily due to the decrease of RMB17.8 million in share of profits of associates, as a result of the decrease in profit of our associates.

Income Tax (Expense)/Credit

We recorded income tax expenses of RMB23.2 million in 2023 and income tax credit of RMB6.4 million in 2024. See "— Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Income Tax (Expense)/Credit" for details.

Loss for the Year

For the foregoing reasons, we incurred loss for the year of RMB933.2 million and RMB2,069.8 million in 2023 and 2024, respectively.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current Assets				
Property, plant and equipment	2,639,939	2,897,262	2,903,609	2,885,754
Right-of-use assets	371,286	350,764	343,520	338,176
Goodwill	1,674,662	1,518,843	1,495,926	1,495,926
Other intangible assets	3,617,921	4,064,334	4,039,652	3,958,638
Investment in a joint venture	9,878	8,310	—	—
Investments in associates	2,823,020	2,810,354	2,727,161	2,712,771
Financial assets at fair value through profit or loss	1,004,058	878,278	777,614	807,220
Equity investments at fair value through other comprehensive income	30,000	29,330	36,144	36,144
Trade and bills receivables	1,641	1,080	5,073	5,132
Deferred tax assets	68,264	86,885	88,111	93,759
Prepayments, other receivables and other assets	106,778	78,443	93,305	97,832
Time deposits	251,232	401,681	642,372	714,512
Total non-current assets	**12,598,679**	**13,125,564**	**13,152,487**	**13,145,864**
Current Assets				
Inventories	551,583	410,876	379,301	395,130
Contract assets	881,545	864,862	959,673	1,025,915
Trade and bills receivables	2,659,787	2,584,886	2,415,090	2,353,106
Prepayments, other receivables and other assets	532,707	619,788	739,635	696,891
Financial assets at fair value through profit or loss	251,294	126,948	28,202	1,017,147
Restricted bank deposits and time deposits with an initial term of over three months	1,292,507	767,055	835,266	799,320
Cash and cash equivalents	6,752,939	5,656,857	3,120,651	1,698,160
Assets classified as held for sale	—	—	974	974
Total current assets	**12,922,362**	**11,031,272**	**8,478,792**	**7,986,643**
Current Liabilities				
Trade payables	1,006,520	1,102,906	1,249,752	1,223,080
Contract liabilities	2,660,486	2,866,886	3,195,617	3,163,379
Other payables and accruals	3,157,711	2,738,401	2,598,151	2,696,670
Tax payable	96,239	88,301	87,156	87,139
Lease liabilities	64,096	51,887	48,688	52,328
Interest-bearing bank loans	4,137,000	5,434,325	3,902,971	4,695,771
Other long-term liabilities	—	82,337	130,545	129,239
Total current liabilities	**11,122,052**	**12,365,043**	**11,212,880**	**12,047,606**
Net current assets/(liabilities)	**1,800,310**	**(1,333,771)**	**(2,734,088)**	**(4,060,963)**
Total assets less current liabilities	**14,398,989**	**11,791,793**	**10,418,399**	**9,084,901**
Non-current Liabilities				
Other payables and accruals	41,546	5,274	2,598	2,598
Interest-bearing bank loans	1,910,400	1,432,500	668,500	68,500
Deferred income	10,687	24,619	36,897	37,276
Deferred tax liabilities	33,271	25,948	5,776	2,649
Lease liabilities	54,201	50,836	57,417	53,960
Contract liabilities	145,924	186,568	222,054	237,859
Other long-term liabilities	399,598	266,572	177,200	175,604
Total non-current liabilities	**2,595,627**	**1,992,317**	**1,170,442**	**578,446**
Net assets	**11,803,362**	**9,799,476**	**9,247,957**	**8,506,455**
Non-controlling interests	**1,650,962**	**1,552,872**	**1,649,393**	**1,611,010**

Property, Plant and Equipment

Our property, plant and equipment consisted of buildings, construction in progress, machinery, vehicles, electronic and other equipments, and improvements and others. The following table sets forth the components of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Buildings	2,136,537	2,241,430	2,594,607	2,574,473
Construction in progress	332,616	522,803	181,741	190,844
Machinery	68,061	59,451	59,033	56,778
Vehicles	7,419	5,191	3,293	2,878
Electronic and other equipments	74,029	49,080	49,566	46,061
Improvements and others	21,277	19,307	15,369	14,720
Total	**2,639,939**	**2,897,262**	**2,903,609**	**2,885,754**

Our property, plant and equipment continuously increased from 2023 to 2025, primarily due to our construction of regional R&D and delivery centers. Our property, plant and equipment then decreased from RMB2,903.6 million as of December 31, 2025 to RMB2,885.8 million as of March 31, 2026, primarily due to a decrease of RMB20.1 million in buildings in relation to depreciation.

Goodwill

Our goodwill represented the premium over the fair value of identifiable net assets acquired through company acquisitions. We conducted certain company acquisitions during the Track Record Period. See Note 45 to the Accountants' Report in Appendix I to this document for details. Our goodwill decreased from RMB1,674.7 million as of December 31, 2023 to RMB1,518.8 million as of December 31, 2024, and further decreased to RMB1,495.9 million as of December 31, 2025, primarily due to the impairment provision in relation to our acquired subsidiaries. Our goodwill further remained unchanged at RMB1,495.9 million as of March 31, 2026.

We test goodwill for impairment annually, or more frequently when events or changes in circumstances indicate potential impairment. For impairment testing, goodwill acquired in a business combination is allocated to the relevant cash-generating units, or CGUs, expected to benefit from the synergies of the combination. Impairment is determined by comparing the recoverable amount of the relevant CGU or group of CGUs with its carrying amount. If the recoverable amount is lower, an impairment loss is recognized and is not reversed in subsequent periods. In 2023, 2024 and 2025, key assumptions used in the value-in-use calculations included budgeted gross margins and pre-tax discount rates, which were determined with reference to historical gross margins, expected efficiency improvements, market development, unit-specific risks and external information sources. Except for the CGU of Yonyou Government Affairs and its subsidiaries in 2024, and the CGU of Beijing Dianju Information Technology Co., Ltd. in 2025, no reasonably possible change in key assumptions would cause the carrying amount of any other CGU to exceed its recoverable amount. As of March 31, 2026, our management has considered and assessed all available internal and external sources of information, and had not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore, our management did not make a formal estimate of the recoverable amounts of the relevant CGUs as of March 31, 2026.

Other Intangible Assets

Our other intangible assets primarily represented (i) software copyrights, primarily in relation to Yonyou BIP, (ii) deferred development costs in relation to the capitalization of qualified development expenditures, and (iii) others, representing other intellectual property rights. The following table sets forth the breakdown of our other intangible assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Software copyrights	3,459,981	3,943,237	3,990,924	3,651,580
Deferred development costs	—	18,143	—	264,217
Others	157,940	102,954	48,728	42,841
Total	**3,617,921**	**4,064,334**	**4,039,652**	**3,958,638**

Our other intangible assets increased from RMB3,617.9 million as of December 31, 2023 to RMB4,064.3 million as of December 31, 2024, primarily due to the increase in self-developed software copyrights resulting from our R&D initiatives. Our other intangible assets remained relatively stable at RMB4,039.7 million as of December 31, 2025. Our other intangible assets then decreased to RMB3,958.6 million as of March 31, 2026, primarily due to a decrease of RMB339.3 million in software copyrights related to amortization, partially offset by an increase of RMB264.2 million in deferred development costs, primarily due to the capitalization of certain qualifying development expenditures incurred in connection with our R&D initiatives.

During the Track Record Period, impairment testing for capitalized research and development expenditures was based on value-in-use calculations. Key assumptions included budgeted gross margins and pre-tax discount rates, which were determined with reference to historical gross margins, expected efficiency improvements, market development and risks specific to the relevant units. Management also performed sensitivity analyses by reducing the expected gross margin by 1% or increasing the pre-tax discount rate by 2%, while holding other assumptions constant. Under both the base-case and sensitivity scenarios, the recoverable amount of each related capitalized R&D project exceeded its carrying amount. Management therefore concluded that any reasonably possible change in these key assumptions would not cause the carrying amount of any related capitalized R&D expenditure to exceed its recoverable amount.

Investments in a Joint Venture and Associates

Our investments in a joint venture and associates primarily represented our equity investments in entities under joint control or significant influence. Our investment in a joint venture decreased from RMB9.9 million as of December 31, 2023 to RMB8.3 million as of December 31, 2024, primarily due to partial disposal of equity in the joint venture as well as share of loss of the joint venture. Our investment in a joint venture further decreased to nil as of December 31, 2025, primarily due to the impairment provision on such joint venture. Our investment in a joint venture remained unchanged at nil as of March 31, 2026. Our investments

in associates decreased from RMB2,823.0 million as of December 31, 2023 to RMB2,810.4 million as of December 31, 2024, primarily due to impairment provision of our equity investment. Our investments in associates further decreased to RMB2,727.2 million as of December 31, 2025, primarily due to the disposal of certain equity interests in the associates. Our investments in associates slightly decreased from RMB2,727.2 million as of December 31, 2025 to RMB2,712.8 million as of March 31, 2026, primarily due to our share of net loss of RMB14.4 million recorded by certain associates.

Financial Assets at Fair Value Through Profit and Loss ("FVTPL")

Our financial assets at FVTPL represented (i) minority equity investments in listed and unlisted companies, (ii) wealth management products purchased from reputable PRC commercial banks, (iii) contingent consideration arising from performance commitments under our previous subsidiary acquisitions, and (iv) derivative financial instruments purchased primarily to hedge against foreign exchange loss risks. The following table sets forth details of our financial assets at FVTPL as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Listed equity investments	190,431	169,587	1,937	2,015
Unlisted investments				
– Unlisted equity investments	814,891	710,543	777,614	807,220
– Wealth management products	250,030	123,289	11,215	1,000,082
Contingent consideration	—	—	15,050	15,050
Derivative financial instruments	—	1,807	—	—
Total	**1,255,352**	**1,005,226**	**805,816**	**1,824,367**

Our financial assets at FVTPL decreased from RMB1,255.4 million as of December 31, 2023 to RMB1,005.2 million as of December 31, 2024, primarily due to a decrease of RMB126.7 million in our wealth management products, and a decrease of RMB104.3 million in unlisted equity investments due to fair value changes. Our financial assets at FVTPL further decreased to RMB805.8 million as of December 31, 2025, primarily due to a decrease of RMB167.7 million in listed equity investments, and a decrease of RMB112.1 million in wealth management products. Our financial assets at FVTPL then increased to RMB1,824.4 million as of March 31, 2026, primarily due to an increase of RMB988.9 million in wealth management products, as we purchased more wealth management products to better utilize our cash on hand.

Our Investment Policies

We have established investment policies to standardize and safeguard our external investment activities, which are strategically aimed at expanding collaboration with ecosystem partners. These investments may include mergers and acquisitions, equity purchases or transfers, trading and available-for-sale financial assets, and financial investments such as wealth management products. For major investments, we apply a hierarchical approval process based on investment thresholds, with review and approval by the president, the Board of Directors or the Shareholders, as appropriate. Our strategic investment and legal departments prepare feasibility studies and project proposals and assess project profitability, while our finance department manages funding and investment income. Our strategic investment department also monitors the financial performance, operating results, risks and recovery progress of each investment project and provides recommendations to the relevant decision-making bodies. We conduct pre-investment efficiency audits and regular audits of external investments to ensure their security and effectiveness. We have also adopted policies governing

the purchase of wealth management products and designated responsible personnel or departments for their implementation. Investment decisions are made on a case-by-case basis after considering our cash flow and operational needs. Each purchase of wealth management products is reviewed by our legal department and approved by our chief financial officer. For derivative financial instruments, a dedicated management group with relevant experience regularly monitors and oversees our hedging operations.

Fair Value Measurement

We made judgments and estimates in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To indicate the reliability of inputs in determining the fair values, we classified our financial instruments into three levels prescribed under the accounting standards:

- 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.

Our listed equity investments are valued using Level 1 inputs based on quoted market prices. Wealth management products and derivative financial instruments are valued using Level 2 inputs, primarily based on discounted cash flow, forward pricing and swap models using observable market data and present value calculations. Unlisted equity investments are valued using Level 3 inputs, which require us to identify comparable public companies, select appropriate price multiples and estimate discounts for illiquidity and size differences. There were no transfers between level 1, level 2 and level 3 during the Track Record Period. Our Directors are of the view that, the fair value measurement of our financial assets is fair and reasonable. After the [**REDACTED**], we intend to continue our investments in the financial assets strictly in accordance with our investment policies and measures and the requirements under Chapter 14 of the Listing Rules.

Inventories

Our inventories primarily consisted of (i) work in progress, representing costs incurred for the provision of certain implementation and development services that have not yet been delivered to customers; (ii) purchased software; and (iii) raw materials in relation to software delivery. Our work-in-progress inventory primarily represented personnel costs incurred in connection with certain product deliveries for which revenue is recognized only upon completion and final acceptance by the customer (the "**final acceptance model**"). The following table sets forth the breakdown of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Work in progress	551,041	412,441	367,120	378,834
Purchased software	18,943	19,128	25,191	30,049
Raw materials	2,592	1,953	1,557	1,538
	572,576	433,522	393,868	410,421
Impairment allowance	(20,993)	(22,646)	(14,567)	(15,291)
Total	**551,583**	**410,876**	**379,301**	**395,130**

Our inventories decreased from RMB551.6 million as of December 31, 2023 to RMB410.9 million as of December 31, 2024 and further to RMB379.3 million as of December 31, 2025, primarily because we completed and delivered certain implementation and development services to customers, and the relevant work in progress was reclassified into cost of sales. Our inventories then increased to RMB395.1 million as of March 31, 2026, primarily due to an increase of RMB11.7 million in work in progress, primarily due to costs incurred for certain implementation and development projects during the period that had not yet been reclassified into cost of sales, as product deliveries typically take place towards year end.

As of May 31, 2026, RMB22.9 million, or approximately 5.8% of our inventories as of March 31, 2026 had been subsequently consumed or used. We do not consider there to be any recoverability issue with respect to our inventories, which primarily comprised costs incurred for implementation services that were in progress, and were expected to be recognized as cost of sales upon the delivery of the relevant implementation milestones. We are continuing to carry out our implementation activities in the ordinary course of business, and there are no known material obstacles to the completion of the underlying projects.

Our inventory turnover days (calculated based on the average of opening and closing balance of inventories for the relevant period, divided by the cost of sales for the same period, and multiplied by 365/90 days) decreased from 41.2 days in 2023 to 36.9 days in 2024 and further to 31.4 days in 2025, primarily due to an accelerated delivery and acceptance cycle for projects under the final acceptance model, which allowed incurred personnel costs to be transferred to cost of sales more promptly upon product delivery completion. Our inventory turnover days then increased to 43.6 days in the three months ended March 31, 2026, primarily due to the higher inventory balance as a result of the seasonal nature of our business, as product deliveries typically take place towards year end.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	329,359	197,525	231,489	257,810
1 year to 2 years	55,088	48,602	47,896	39,800
2 years to 3 years	26,614	18,067	8,647	6,220
3 years and above	140,522	146,682	91,269	91,300
Total	**551,583**	**410,876**	**379,301**	**395,130**

Our inventory aging three years and above mainly represented contract fulfillment costs pending customer acceptance as a result of project suspension or changes in customer requirements. We have been maintaining ongoing communication with the relevant customers to confirm the acceptance arrangements for these projects. For such projects, we have received corresponding prepayments from customers, which were recorded as contract liabilities, and such fulfillment of payment obligations by the relevant customers demonstrated their intention to continue contract performance. Based on the foregoing, our Directors are of the view that the related contract fulfilment costs are recoverable, and that there is no significant impairment risk associated with these contract fulfilment costs.

Contract Assets

Our contract assets represented amounts arising from the completion and delivery of implementation and development services to customers, which are pending customer acceptance and payment in accordance with the contractual terms. These amounts are subsequently reclassified to trade receivables when we obtain an unconditional right to receive consideration from the customers. Our contract assets decreased from RMB881.5 million as of December 31, 2023 to RMB864.9 million as of December 31, 2024 and then increased to RMB959.7 million as of December 31, 2025 and further to RMB1,025.9 million as of March 31, 2026. The fluctuation in contract assets was primarily due to the timing of product delivery, customer acceptance, and payment schedules. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we recorded impairment allowance in relation to our contract assets of RMB148.7 million, RMB202.4 million, RMB309.3 million, and RMB322.1 million, respectively. See "— Trade and Bills Receivables" for details on our impairment allowance provision matrix.

As of May 31, 2026, RMB99.7 million, or approximately 9.7% of our contract assets as of March 31, 2026 had been subsequently billed and accounted as trade and bills receivables.

Our contract assets turnover days (calculated by dividing the average balance of contract assets by total revenues for the relevant period and multiplied by 365/90 days) increased from 30.4 days in 2023 to 36.1 days in 2024, to 37.6 days in 2025, primarily due to the complexity of the business operations and product requirements of our top-tier enterprise customers, which prolonged the product implementation and acceptance process, resulting in a longer recognition cycle for contract assets. It further increased to 64.6 days in the three months ended March 31, 2026, primarily due to the higher contract assets balance as a result of the seasonal nature of our business, as product acceptance and the corresponding reclassification of contract assets to trade receivables are typically concentrated in the second half of the year.

The following table sets forth an aging analysis of our contract assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	828,308	755,378	756,314	833,543
1 year to 2 years	182,677	232,928	348,798	335,750
2 years to 3 years	16,363	66,149	108,193	121,259
3 years and above	2,854	12,780	55,691	57,492
Total	1,030,202	1,067,235	1,268,996	1,348,044
Impairment allowance	(148,657)	(202,373)	(309,323)	(322,129)
Net carrying amount	881,545	864,862	959,673	1,025,915

Trade and Bills Receivables

Our trade and bills receivables represented receivables from our customers. The following table sets forth details of our trade and bills receivables as of the date indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade and bills receivables	3,752,773	3,512,731	3,496,945	3,476,886
Long-term receivables	1,727	1,162	5,451	5,515
	3,754,500	3,513,893	3,502,396	3,482,401
Impairment allowance	(1,093,072)	(927,927)	(1,082,233)	(1,124,163)
Total	**2,661,428**	**2,585,966**	**2,420,163**	**2,358,238**

Our trade and bills receivables decreased from RMB2,661.4 million as of December 31, 2023 to RMB2,586.0 million as of December 31, 2024, primarily in line with our revenue fluctuations. Our trade and bills receivables further decreased to RMB2,420.2 million as of December 31, 2025 and to RMB2,358.2 million as of March 31, 2026. The decrease in our trade receivables was mainly attributable to timing differences in customer settlement and the classification of outstanding project amounts. Certain customers with stronger funding positions settled shortly after or upon revenue recognition, resulting in a lower trade receivables balance as at the period end. Meanwhile, certain amounts arising from revenue-generating projects were recorded as contract assets rather than trade receivables, as our right to consideration had not yet become unconditional pending the completion of contractual milestones or customer acceptance. Accordingly, the decrease in trade receivables should be viewed together with the movement in contract assets, and the aggregate balance of trade receivables and contract assets increased during the period, reflecting our continued business growth and the timing of project delivery, acceptance and billing.

We perform impairment analysis at each reporting date using a provision matrix and specific provisions for bad debts to measure expected credit losses. Provision rates are determined based on aging analysis of customer segments with similar loss patterns, taking into account probability-weighted outcomes, the time value of money, and reasonable and supportable information on past events, current conditions and future economic forecasts. Generally, trade and bills receivables are written off when they are more than five years past due and not subject to enforcement activity. As of December 31, 2023, 2024 and 2025 and March 31, 2026, impairment allowance for trade and bills receivables was RMB1,093.1 million, RMB927.9 million, RMB1,082.2 million, and RMB1,124.2 million, respectively. The increase in impairment loss in 2025 and the three months ended March 31, 2026 was primarily due to the aging of outstanding trade receivables. We have adopted management and collection measures for trade and bills receivables, including monitoring receivables, regularly reviewing overdue balances and assessing credit risk exposures. Our Directors consider that there is no material recoverability issue and that sufficient provision has been made, based on collectability and aging analysis, our credit risk management measures, the aging profile, any disputes, historical transactions with relevant customers, their financial position and the prevailing macroeconomic environment.

The following is an aging analysis of our trade and bills receivables based on the invoice date and net of loss allowance as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	2,277,782	2,101,240	1,949,447	1,812,847
1 year to 2 years	251,280	329,951	288,525	346,780
2 years to 3 years	83,828	96,224	121,930	135,083
3 years to 4 years	35,462	44,135	44,723	47,065
4 years to 5 years	13,076	14,416	15,538	16,463
Total	**2,661,428**	**2,585,966**	**2,420,163**	**2,358,238**

Our trade and bills receivables turnover days (calculated by dividing the average of the beginning and ending balance of trade and bills receivables for that period by the revenue for the relevant period and multiplied by 365/90 days) increased from 95.0 days in 2023 to 108.6 days in 2024, primarily due to the prolonged settlement process with our large enterprise customers. Our product deliveries are typically structured into multiple milestones, and customers will inspect and confirm acceptance upon completion of each milestone. Given the complex nature of the business operations of the large enterprise customers and the lengthy payment approval process, the overall review and settlement cycles tend to be longer. Our trade and bills receivables turnover days remained relatively stable at 103.1 days in 2025. Our trade and bills receivables turnover days further increased to 155.5 days in the three months ended March 31, 2026, primarily due to the seasonal nature of our business, as acceptance and payment collection from large enterprise customers are typically concentrated in the second half of the year, resulting in a higher trade and bills receivables balance relative to revenue recognized in the first quarter. Going forward, we intend to accelerate our trade receivables collection cycle by increasing sales of standardized products under the subscription model, setting clearer acceptance criteria in service contracts and refining payment milestones to support phased acceptance and payment. We have also strengthened receivables management through a more systematic monitoring and follow-up mechanism. Our finance team conducts bi-weekly reviews of outstanding receivables to identify overdue balances, prioritize follow-up actions and coordinate collection with relevant business teams. In addition, we have incorporated collection amounts and overdue ratios into our KPI system and adjusted performance assessments for responsible departments to enhance accountability and encourage proactive collection. For significantly overdue receivables, we may pursue additional collection measures, including legal proceedings where appropriate. The effectiveness of our trade and bills receivables management measures was demonstrated by the continued decline in the increase in trade and bills receivables recorded in our operating cash flows from RMB560.9 million in 2023 to RMB156.7 million in 2024, the decrease in trade and bills receivables of RMB4.5 million in 2025 and RMB20.0 million in the three months ended March 31, 2026.

As of May 31, 2026, RMB290.7 million, or approximately 12.3% of our trade and bills receivables as of March 31, 2026 had been subsequently settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of (i) deposits, other receivables and other assets, primarily representing bid bonds and performance guarantees from our business activities; (ii) prepayments, primarily for implementation services; (iii) contract costs, representing the portion of commission expenses paid to sales partners that has yet to be recognized as sales and marketing expenses; and (iv) others. The following table sets forth the details of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Deposits, other receivables and other assets	407,209	413,151	470,897	484,362
Prepayments	237,072	298,985	362,781	332,956
Contract costs	100,966	98,673	114,282	95,646
Others	12,742	13,332	9,959	11,495
	757,989	824,141	957,919	924,459
Impairment allowance	(118,504)	(125,910)	(124,979)	(129,736)
Total	**639,485**	**698,231**	**832,940**	**794,723**

Our prepayments, other receivables and other assets increased from RMB639.5 million as of December 31, 2023 to RMB698.2 million as of December 31, 2024, primarily due to the increases of RMB61.9 million in prepayments, primarily due to the increase in implementation services procured from our professional service providers, driven by our business growth. Our prepayments, other receivables and other assets further increased to RMB832.9 million as of December 31, 2025, primarily due to (i) an increase of RMB63.8 million in prepayments to suppliers in line with our business growth and (ii) an increase of RMB57.7 million in deposits, other receivables and other assets primarily attributable to the increase in deferred [**REDACTED**] expenses in connection with our proposed [**REDACTED**]. Our prepayments, other receivables and other assets then decreased to RMB794.7 million as of March 31, 2026, primarily due to a decrease of RMB29.8 million in prepayments and a decrease of RMB18.6 million in contract costs, both due to certain prepaid costs amortized and recognized in cost of sales.

As of May 31, 2026, RMB155.3 million, or approximately 19.5% of our prepayments, other receivables and other assets as of March 31, 2026 had been settled.

Restricted Bank Deposits and Time Deposits

Our restricted bank deposits and time deposits represented restricted deposits for issuance of performance bonds, and non-pledged time deposits with original maturities exceeding three months. Our restricted bank deposits and time deposits decreased from RMB1,543.7 million as of December 31, 2023 to RMB1,168.7 million as of December 31, 2024, primarily due to our liquidity management to fund our operations. Our restricted bank deposits and time deposits increased to RMB1,477.6 million as of December 31, 2025 and further to RMB1,513.8 million as of March 31, 2026, primarily due to the increase in deposits with higher yielding as part of our liquidity management strategy.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily represented cash at bank and on hand, net of restricted bank deposits and non-pledged time deposits with original maturities exceeding three months. Our cash and cash equivalents decreased from RMB6,752.9 million as of December 31, 2023 to RMB5,656.9 million as of December 31, 2024, primarily due to our liquidity management to fund our operations. Our cash and cash equivalents further decreased to RMB3,120.7 million as of December 31, 2025, as we partially repaid our bank borrowings. Our cash and cash equivalents then decreased to RMB1,698.2 million as of March 31, 2026, primarily due to cash used for our business operations, as well as the purchase of wealth management products to better utilize our cash on hand.

Trade Payables

Our trade payables primarily represented the outstanding amounts due to our professional service partners. Our trade payables increased from RMB1,006.5 million as of December 31, 2023 to RMB1,102.9 million as of December 31, 2024, to RMB1,249.8 million as of December 31, 2025, primarily due to (i) the increase in implementation services procured from our professional service providers; and (ii) the longer payment settlement cycles with our professional service partners. Our trade payables then decreased to RMB1,223.1 million as of March 31, 2026, as we settled certain outstanding payables to our suppliers. The following is an aging analysis of our trade payables based on the invoice date as of dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	745,922	637,911	739,997	781,071
1 to 2 years	92,904	214,696	144,155	134,792
2 to 3 years	29,795	83,168	139,357	82,951
Over 3 years	137,899	167,131	226,243	224,266
Total	**1,006,520**	**1,102,906**	**1,249,752**	**1,223,080**

Our trade payables turnover days (calculated by dividing the average of the beginning and ending balance of trade payables for that period by the cost of sales for the relevant period and multiplied by 365/90 days) increased from 70.0 days in 2023 to 80.9 days in 2024, and further to 93.6 days in 2025, primarily due to (i) the increase in implementation services procured from our professional service providers; and (ii) the longer payment settlement cycles with our professional service partners. Our trade payables turnover days further increased to 139.3 days in the three months ended March 31, 2026, primarily related to the seasonal impact of the extended public holidays in the first quarter, which resulted in a delayed payment schedule.

As of May 31, 2026, RMB175.6 million, or approximately 14.4% of our trade payables as of March 31, 2026 had been settled.

Contract Liabilities

Our contract liabilities represented primarily advances received from customers to deliver our cloud-based services. Our contract liabilities increased from RMB2,806.4 million as of December 31, 2023 to RMB3,053.5 million as of December 31, 2024, and further to RMB3,417.7 million as of December 31, 2025, mainly due to the increase in customer demands for our cloud-based services driven by our continued transition to a subscription-based model. Our contract liabilities then remained relatively stable at RMB3,401.2 million as of March 31, 2026.

As of May 31, 2026, RMB715.0 million, or approximately 21.0% of our contract liabilities as of March 31, 2026 had been subsequently recognized as revenue.

Other Payables and Accruals

Our other payables and accruals consisted of (i) staff payroll and welfare payables; (ii) obligation related to share-based compensation; (iii) payable to vendors of construction; (iv) deposits from suppliers; (v) consideration payables for acquiring subsidiaries; (vi) advances from customers; (vii) other taxes payable; and (viii) other payables, primarily representing accrued staff reimbursements, payables for equity investments and deferred output VAT. The following table sets forth details of our other payables and accruals as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Staff payroll and welfare payables	1,353,161	1,075,682	1,037,554	537,573
Obligation related to share-based payments	796,445	585,534	204,226	198,801
Payable to vendors of construction	120,795	161,010	166,769	140,854
Deposits from suppliers	116,400	159,411	165,220	138,026
Consideration payables for acquiring subsidiaries	61,211	27,545	5,199	2,598
Advances from customers	14,094	11,828	38,826	35,255
Other borrowings	—	—	201,450	1,017,940
Other taxes payable	263,936	253,364	252,088	111,090
Other payables	473,215	469,301	529,417	517,131
Total	**3,199,257**	**2,743,675**	**2,600,749**	**2,699,268**

Our other payables and accruals decreased from RMB3,199.3 million as of December 31, 2023 to RMB2,743.7 million as of December 31, 2024, primarily due to the decrease in staff payroll and welfare payables following our organizational streamlining efforts. Our other payables and accruals further decreased to RMB2,600.7 million as of December 31, 2025, primarily due to a decrease of RMB381.3 million in obligations related to share-based payments, which vested during the year and therefore released us from the related repurchase obligations. Our other payables and accruals then increased to RMB2,699.3 million as of March 31, 2026, primarily due to an increase of RMB816.5 million in other borrowings, primarily as a result of the increases in financing arrangements to support our operations, partially offset by a decrease of RMB500.0 million in staff payroll and welfare payables primarily due to the payment of annual performance bonuses during the first quarter of 2026, which had been accrued as of December 31, 2025.

As of May 31, 2026, RMB727.5 million, or approximately 27.0% of our other payables and accruals as of March 31, 2026 had been settled.

Other Long-term Liabilities

Our other long-term liabilities represented the reclassified minority interests in certain consolidated structured entities. Our other long-term liabilities decreased from RMB399.6 million as of December 31, 2023 to RMB348.9 million as of December 31, 2024, decreased to RMB307.7 million as of December 31, 2025, primarily due to the decrease of minority interests in the related consolidated structured entities. Our other long-term liabilities then remained relatively stable at RMB304.8 million as of March 31, 2026.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our operations and other capital requirements primarily through cash generated from our business operations, bank borrowings and equity financing. Our anticipated cash needs primarily relate to our business operations, sales and marketing, and research and development. We expect to fund our future working capital and other cash requirements with existing cash and cash equivalents, revenue generated from sales of our products and services, the [**REDACTED**] from the [**REDACTED**] and, when necessary, bank and other borrowings. As of May 31, 2026, the most recent practicable date for determining our indebtedness, we had cash and cash equivalents of RMB1,467.6 million. Considering our internal resources, our cash flow from operations and the estimated [**REDACTED**] from the [**REDACTED**], our Directors confirm that the working capital available to us is sufficient at present and for at least the next 12 months from the date of this document.

Current Assets and Current Liabilities

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				*(Unaudited)*
Current Assets					
Inventories	551,583	410,876	379,301	395,130	409,825
Contract assets	881,545	864,862	959,673	1,025,915	1,050,152
Prepayments, other receivables and other assets	532,707	619,788	739,635	696,891	759,452
Trade and bills receivables	2,659,787	2,584,886	2,415,090	2,353,106	2,229,380
Financial assets at fair value through profit or loss	251,294	126,948	28,202	1,017,147	1,114,804
Restricted bank deposits and time deposits with an initial term of over three months	1,292,507	767,055	835,266	799,320	679,599
Cash and cash equivalents	6,752,939	5,656,857	3,120,651	1,698,160	1,467,640
Assets held for sale	—	—	974	974	3,714
Total current assets	**12,922,362**	**11,031,272**	**8,478,792**	**7,986,643**	**7,714,566**

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
					(Unaudited)
Current Liabilities					
Trade payables	1,006,520	1,102,906	1,249,752	1,223,080	1,127,330
Contract liabilities	2,660,486	2,866,886	3,195,617	3,163,379	3,260,049
Other payables and accruals	3,157,711	2,738,401	2,598,151	2,696,670	2,893,903
Tax payable	96,239	88,301	87,156	87,139	89,498
Lease Liabilities	64,096	51,887	48,688	52,328	49,902
Interest-bearing bank loans	4,137,000	5,434,325	3,902,971	4,695,771	5,040,385
Other long-term liabilities	—	82,337	130,545	129,239	129,210
Total current liabilities	**11,122,052**	**12,365,043**	**11,212,880**	**12,047,606**	**12,590,277**
Net current assets/(liabilities)	**1,800,310**	**(1,333,771)**	**(2,734,088)**	**(4,060,963)**	**(4,875,711)**

We had net current liabilities of RMB1,333.8 million as of December 31, 2024, compared to net current assets of RMB1,800.3 million as of December 31, 2023, primarily due to an increase of RMB1,297.3 million in interest-bearing bank loans, a decrease of RMB1,096.1 million in cash and cash equivalents and a decrease of RMB525.5 million in restricted bank deposits and time deposits with an initial term of over three months.

Our net current liabilities increased from RMB1,333.8 million as of December 31, 2024 to RMB2,734.1 million as of December 31, 2025, primarily due to a decrease of RMB2,536.2 million in cash and cash equivalents as we partially repaid our bank borrowings.

Our net current liabilities increased from RMB2,734.1 million as of December 31, 2025 to RMB4,061.0 million as of March 31, 2026, primarily due to (i) a decrease of RMB1,422.5 million in cash and cash equivalents in relation to the purchase of wealth management products to better utilize our cash on hand and (ii) an increase of RMB792.8 million in interest-bearing bank loans as we obtained more bank loans to support our business operation.

Our net current liabilities increased from RMB4,061.0 million as of March 31, 2026 to RMB4,875.7 million as of May 31, 2026, primarily due to (i) an increase of RMB344.6 million in interest-bearing bank loans as we obtained more bank loans to support our business operation and (ii) a decrease of RMB230.5 million in cash and cash equivalents mainly used for our business operations.

We intend to improve our net current liabilities position through the following initiatives: (i) enhancing profitability and, specifically, exercising tighter cost control, including optimization of staffing, travel and other administrative expenses; (ii) accelerating the collection of trade receivables; and (iii) actively managing short-term bank borrowings by refinancing a portion of them into longer-term facilities or reducing overall leverage through internally generated cash flows.

Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	For the year ended December 31,			For the three months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Net cash flows from/(used in) operating activities	(90,499)	(273,648)	812,386	(1,022,483)	(1,005,060)
Net cash flows used in investing activities	(542,469)	(1,108,128)	(1,346,723)	(1,309,531)	(1,364,764)
Net cash flows from/(used in) financing activities	2,088,769	287,579	(2,002,893)	(434,502)	951,117
Net increase/(decrease) in cash and cash equivalents	1,455,801	(1,094,197)	(2,537,230)	(2,766,516)	(1,418,707)
Cash and cash equivalents at the beginning of the year/period	5,294,235	6,752,939	5,656,857	5,656,857	3,120,651
Effect of foreign exchange rate changes, net	2,903	(1,885)	1,024	(1,181)	(3,784)
Cash and cash equivalents at the end of the year/period	6,752,939	5,656,857	3,120,651	2,889,160	1,698,160

Operating Activities

In the three months ended March 31, 2026, our net cash used in operating activities was RMB1,005.1 million. Our net cash used in operating activities is calculated by adjusting our loss before tax of RMB752.6 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of amortization of other intangible assets of RMB345.4 million, provision for impairment of trade and bills receivables of RMB42.5 million, finance expenses of RMB38.5 million, and depreciation of property, plant and equipment of RMB30.8 million and depreciation of right-of-use assets of RMB15.7 million; and (ii) cash absorbed by working capital, which primarily result from a decrease in other payables and accruals of RMB686.2 million, an increase in contract assets of RMB79.0 million, partially offset by a decrease in prepayments, other receivables and other assets of RMB31.3 million.

In 2025, our net cash generated from operating activities was RMB812.4 million. Our net cash generated from operating activities is calculated by adjusting our loss before tax of RMB1,369.0 million, as adjusted by (i) adding back non-cash and non-operating items, which primarily consist of amortization of other intangible assets of RMB1,232.1 million, finance expenses of RMB176.6 million, provision for impairment of trade and bills receivables of RMB162.1 million, depreciation of property, plant and equipment of RMB124.3 million and provision for impairment of contract assets of RMB107.0 million; and (ii) cash generated from working capital changes, which primarily resulted from an increase in contract liabilities of

RMB365.4 million, an increase in trade payables of RMB151.7 million and a decrease in restricted deposits of RMB121.1 million, partially offset by an increase in contract assets of RMB201.8 million and an increase in prepayments, other receivables and other assets of RMB107.1 million.

In 2024, our net cash used in operating activities was RMB273.6 million. Our net cash used in operating activities is calculated by adjusting our loss before tax of RMB2,076.2 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of amortization of other intangible assets of RMB988.2 million, provision for impairment of trade and bills receivables of RMB235.4 million, finance expenses of RMB178.9 million, and provision for impairment of goodwill of RMB155.8 million; and (ii) cash absorbed by working capital, which primarily result from a decrease in other payables and accruals of RMB246.5 million and an increase in trade and bills receivables of RMB156.7 million, partially offset by an increase in contract liabilities of RMB247.0 million and decrease in inventories of RMB145.6 million.

In 2023, our net cash used in operating activities was RMB90.5 million. Our net cash used in operating activities is calculated by adjusting our loss before tax of RMB910.0 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of amortization of other intangible assets of RMB702.1 million, finance expenses of RMB170.9 million, and provision for impairment of trade and bills receivables of RMB157.1 million; and (ii) cash absorbed by working capital, which primarily result from an increase in trade and bills receivables of RMB560.9 million and an increase in contract assets of RMB242.4 million, partially offset by an increase in contract liabilities of RMB338.2 million, and an increase in trade payables of RMB173.8 million.

We plan to improve our net operating cash outflow positions by (i) accelerating product delivery and payment collection by further improving delivery efficiency to shorten product acceptance cycles, conducting regular reviews of outstanding trade receivables balances and strengthening follow-up on overdue receivables to expedite payment collection; (ii) improving revenue and profitability by continuously optimizing our product and service offerings, broadening customer coverage and enhancing operational efficiency, so as to drive higher revenue and profit contributions; (iii) tightening cost and expenditure management by exercising stricter budget control, optimizing resource allocation and reducing non-essential spending, thereby lowering cash outflows and improving our overall cash flow position. For details of our plan to improve our revenue and profitability, see "Business — Path to Profitability." See "— Trade and Bills Receivables" for details of our measures to enhance collection and shorten the trade receivables collection cycles. The effectiveness of our measures to shorten product delivery and acceptance cycle can be observed through the aging profile of our trade and bills receivable and contract assets. The balance of trade and bills receivables and contract assets with an aging of within two years provides a meaningful indicator of recent delivery and acceptance activities, as such balances are largely attributable to newly completed product deliveries rather than historical or long-outstanding items.

Investing Activities

In the three months ended March 31, 2026, our net cash used in investing activities was RMB1,364.8 million, which was attributable to (i) purchases of financial investments of RMB1,377.0 million; (ii) purchases of time deposits with an initial term of over three months of RMB290.0 million and (iii) purchase of other intangible assets of RMB263.3 million, partially offset by proceeds from the disposal of financial investments of RMB380.8 million and proceeds from the disposal of financial investments of RMB213.7 million.

In 2025, our net cash used in investing activities was RMB1,346.7 million, which was attributable to (i) purchases of financial investments of RMB5,273.7 million; (ii) purchases of other intangible assets of RMB1,199.7 million; and (iii) purchases of time deposits with an initial term of over three months of RMB1,059.7 million, partially offset by proceeds from the disposal of financial investments of RMB5,627.2 million.

In 2024, our net cash used in investing activities was RMB1,108.1 million, which was attributable to (i) purchases of financial investments of RMB4,727.4 million; (ii) purchases of other intangible assets of RMB1,419.0 million; and (iii) purchases of time deposits with an initial term of over three months of RMB1,274.5 million, partially offset by (i) proceeds from the disposal of financial investments of RMB4,901.4 million; and (ii) proceeds from the disposal of time deposits with an initial term of over three months of RMB1,766.0 million.

In 2023, our net cash used in investing activities was RMB542.5 million, which was attributable to (i) purchases of financial investments of RMB4,411.8 million; (ii) purchases of time deposits with an initial term of over three months of RMB1,750.1 million; and (iii) purchases of other intangible assets of RMB1,618.9 million, partially offset by (i) proceeds from the disposal of financial investments of RMB4,268.9 million; and (ii) proceeds from the disposal of time deposits with an initial term of over three months of RMB3,209.3 million.

Financing Activities

In the three months ended March 31, 2026, our net cash from financing activities was RMB951.1 million, which was primarily attributable to (i) new other borrowing of RMB1,434.0 million; and (ii) new bank loans of RMB1,340.2 million, partially offset by repayments of bank loans of RMB1,147.4 million and repayment of other borrowing of RMB621.9 million.

In 2025, our net cash used in financing activities was RMB2,002.9 million, which was primarily attributable to (i) repayment of bank loans of RMB6,047.8 million; (ii) repayment of other borrowings of RMB762.0 million; and (iii) repurchase of our Group's shares of RMB252.1 million, partially offset by (i) new bank loans of RMB3,752.5 million and (ii) new other borrowings of RMB962.0 million.

In 2024, our net cash from financing activities was RMB287.6 million, which was attributable to new bank loans of RMB5,167.4 million, partially offset by repayment of bank loans of RMB4,348.0 million.

In 2023, our net cash from financing activities was RMB2,088.8 million, which was attributable to (i) new bank loans of RMB5,495.5 million; and (ii) capital contribution from non-controlling shareholders of RMB1,165.4 million, partially offset by repayment of bank loans of RMB3,666.1 million.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, March 31, 2026 and May 31, 2026, the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any material indebtedness.

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
					(Unaudited)
Current					
Interest-bearing bank loans	4,137,000	5,434,325	3,902,971	4,695,771	5,040,385
Lease liabilities	64,096	51,887	48,688	52,328	49,902
Other borrowings	—	—	201,450	1,017,940	1,137,137
Subtotal	4,201,096	5,486,212	4,153,109	5,766,039	6,227,424
Non-current					
Interest-bearing bank loans	1,910,400	1,432,500	668,500	68,500	68,500
Lease liabilities	54,201	50,836	57,417	53,960	52,580
Subtotal	1,964,601	1,483,336	725,917	122,460	121,080
Total	**6,165,697**	**6,969,548**	**4,879,026**	**5,888,499**	**6,348,504**

Interest-bearing Bank Loans

As of December 31, 2023, 2024, 2025 and March 31, 2026, we had interest-bearing bank loans of RMB6,047.4 million, RMB6,866.8 million, RMB4,571.5 million, and RMB4,764.3 million, respectively. During the Track Record Period, our bank loans came from commercial banks and financial institutions bearing effective interest rates in the range of 1.95% to 3.50% per annum. Our bank loans were primarily used to finance our increased working capital requirements driven by our business expansion during the Track Record Period.

As of May 31, 2026, we had bank loans of RMB5,108.9 million. As of the Latest Practicable Date, we had committed unutilized bank facilities of RMB8,353.0 million.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to our lease of office buildings.

Save as discussed above, as of May 31, 2026, the most recent practicable date for determining our indebtedness, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which were either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. Our Directors also confirm that there had not been any material change in our indebtedness since May 31, 2026 and up to the date of this document.

During the Track Record Period and up to the Latest Practicable Date, there were no material covenants on any of our outstanding debts which could significantly limit our ability to undertake additional debt or equity financing, nor was there any breach of covenants. Our Directors further confirm that we did not experience difficulty in obtaining borrowings, default in repayment of borrowings or lessors during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURE

During the Track Record Period, our capital expenditures primarily related to our property, plant and equipment, other intangible assets and right-of-use assets. In 2023, 2024, 2025 and the three months ended March 31, 2026, our capital expenditures amounted to RMB1,925.8 million, RMB1,918.9 million, RMB1,425.3 million, and RMB290.6 million, respectively. These purchases were primarily for our R&D initiatives. We intend to fund our future capital expenditure requirements with [**REDACTED**] from the [**REDACTED**], revenue generated from our sales of products and services, and, bank borrowings.

CAPITAL COMMITMENTS

Our capital commitments at the end of each period during the Track Record Period primarily related to the construction of properties classified as construction in progress. As of December 31, 2023, 2024, 2025 and March 31, 2026, our capital commitments amounted to RMB405.3 million, RMB286.8 million, RMB27.4 million, and RMB17.6 million, respectively.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025 and March 31, 2026, we did not have any material contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities since March 31, 2026 to the date of this document.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors confirm that all material related party transactions during the Track Record Period and up to the Latest Practicable Date were conducted on an arm's-length basis, and would not distort our results of operations over the Track Record Period and up to the Latest Practicable Date or make our historical results over the Track Record Period and up to the Latest Practicable Date not reflective of our expectations for our future performance. See Note 47 of the Accountants' Report included in Appendix I to this document. As of March 31, 2026, we did not have non-trade balances with our related parties.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, other than the capital commitments and investment commitments disclosed in Note 43 of the Accountants' Report included in Appendix I to this document, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,			As of/For the three months ended March 31,
	2023	2024	2025	2026
Gross profit margin (%)[1]	49.3	46.0	48.2	42.2
Current ratio[2]	1.2	0.9	0.8	0.7
Quick ratio[3]	1.1	0.9	0.7	0.6

Notes:

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the year/period indicated.
(2) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.
(3) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

We are exposed to a variety of market and other financial risks, including interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity risk. We manage and monitor these exposures to ensure that appropriate measures are implemented on a timely and effective manner. See Note 50 to the Accountants' Report set out in Appendix I to this document for a detailed description of our market and other financial risks described above.

DIVIDENDS

In 2023, 2024, 2025 and the three months ended March 31, 2026, we paid dividends of RMB251.5 million, RMB85.1 million, RMB52.1 million and nil, respectively. After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, business prospects, statutory and regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant laws. Our Shareholders may approve any declaration of dividends. According to applicable laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous years; allocations to the statutory reserve equivalent to 10% of our profit after tax; allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders' meeting. If we record profits in a given year and the ending balance of our undistributed profits is positive and our cash flow can meet our normal operation and sustainable development, we should distribute dividends in cash, and the profits distributed in cash should be no less than 10% of the distributable profits realized in the year. At the same time, our cumulative profits distributed in cash over the past three years shall be no less than 30% of the average annual distributable profits achieved in the past three years.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we did not have any reserves available for distribution to our Shareholders.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses consist of professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**] (based on the mid-point of the indicative [**REDACTED**] range and assuming the [**REDACTED**] is not exercised), which accounts for approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**]. We estimate the [**REDACTED**] expenses to consist of (i) approximately HK$[**REDACTED**] in [**REDACTED**] fees; and (ii) approximately HK$[**REDACTED**] in non-[**REDACTED**] fees, including (a) fees and expenses of legal advisers and accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. Among the total [**REDACTED**] expenses, approximately HK$[**REDACTED**] will be directly attributable to the [**REDACTED**] of our Shares, which will be deducted from equity upon the completion of the [**REDACTED**], and the remaining HK$[**REDACTED**] will be expensed in our consolidated statements of profit or loss and other comprehensive income.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document, save as disclosed in this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of the periods reported in Appendix I to this document and there is no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business — Our Growth Strategies" for a detailed description of our future plans.

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range stated in this document. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the high end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**]. If the [**REDACTED**] is set at HK$[**REDACTED**] per Share, being the low end of the indicative [**REDACTED**] range, the [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**]. We currently intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts as set out below:

	For the year ending December 31,				
	2027	**2028**	**2029**	**2030**	**2031**
	(HK$ in millions)				
R&D of AI, other cutting edge technologies and product iteration	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Global capabilities and system development	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Developing and upgrading collaboration platform for ecosystem partners and customer operation system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Potential strategic investments and acquisitions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and other general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Assuming an [**REDACTED**] at the mid-point of the indicative [**REDACTED**] range and that the [**REDACTED**] is not exercised, we currently intend to apply these [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the R&D of AI and other technologies, as well as product iteration. More specifically, we plan to apply:

  – approximately [**REDACTED**]%, or HK$[**REDACTED**], for the R&D of AI platform technologies and other advanced technologies. Specifically:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance YonGPT with respect to its functionality, security, domain expertise and technological advancement. We will continue to refine its domain-specific training and improve model precision and reliability in complex enterprise scenarios.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to advance the YonAI intelligence platform. We will continue to iterate and upgrade its LLM service platform, and enhance capabilities for intelligent agent construction as well as platform management and operation. We will focus on algorithm optimization and system scalability to support broader industry applications and more efficient model deployment.

(iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to strengthen our intelligent data platform. We will enhance data asset accumulation and utilization efficiency to with respect to support for data-driven business innovation. We aim to enhance real-time insights and reinforce the foundation for intelligent analytics.

We plan to recruit 50, 70, 20, 10 and five employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Specifically, approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment, computing power for AI training and office supplies.

– approximately [**REDACTED**]%, or HK$[**REDACTED**] million, for intelligent application innovation centered on AI agents. Specifically:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to the development of intelligent agents across different domains. We aim to build interconnected and collaborative AI agents that can efficiently address diversified enterprise needs.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to advance the development of scenario-specific intelligent agents and deepen AI-empowered application use cases. We will further explore industry-focused scenarios and strengthen application adaptation.

(iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be dedicated to building data service capabilities across our entire product portfolio. We will enhance data model development to support data-driven insight, analysis, simulation, decision-making, planning and execution through our data service system.

We plan to recruit 30, 60, 30, 20 and five employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], for accelerating the AI-driven transformation of our R&D processes and significantly enhancing our R&D efficiency. Specifically, (i) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of AI programming; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of AI testing; and (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the development of AI-enabled intelligent operations. We plan to recruit five, 15, 15, 15 and 10 employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

  - Approximately [**REDACTED**]%, or HK$[**REDACTED**], for the construction and upgrade of our intelligent delivery tools. We will develop intelligent delivery products with AI technologies and construct intelligent delivery system. We plan to recruit five, 15, 15, 15 and 10 employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], for our global capabilities and system development. To execute our global expansion strategy, we have developed concrete regional and customer coverage plans, supported by our overseas operating experience, service network and product adaptability. Building on over two decades of overseas market experience, we will deepen our presence in established markets such as Hong Kong, Macau, Taiwan and Southeast Asia, while accelerating expansion into high-potential regions including the Americas, Europe and the Middle East. As of March 31, 2026, we had served over 1,800 overseas enterprise customers, comprising approximately 60% local clients and 40% Chinese enterprises with international operations, demonstrating our understanding of cross-border business needs and regulatory requirements. In addition, overseas customers accounted for approximately 4.8% of our backlog not yet recognized as revenue as of March 31, 2026, indicating growing overseas demand and supporting our continued global expansion. From a product perspective, Yonyou BIP supports global deployment across core enterprise management domains, multi-language environments, time zones and diverse legal and tax frameworks. Together with our AI-empowered technology stack and competitive pricing, these capabilities position us to deliver scalable and localized solutions in overseas markets.

See "Business — Our Growth Strategies — Global Expansion 2.0: Further Expanding Overseas Presence and Customer Coverage" for more details. More specifically, we plan to apply:

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for enhancing global adaptation of our products. We will continue to enhance our products' localization and compliance adaptability across jurisdictions. Specifically, we will enhance the global adaptability of our products by strengthening support for multi-language, multi-currency and multi-time zone environments, international data security standards and scalable localization architecture. We will also develop standardized domain-specific global models, adapt core modules to local compliance and operational requirements, and enhance support for global corporate structuring, reporting, workforce management and cross-border supply chain collaboration. We plan to recruit approximately 10, 20, 25, 20 and 10 employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for enhancing global business operations and marketing capabilities. We aim to enhance our global operational capabilities by further optimizing our institutional setup and marketing network based on our existing regional presence. We plan to establish new offices in Europe, strengthen localized service capabilities in Europe, the Middle East, Africa and North America, continue to deepen our presence in Southeast Asia, and expand into Northeast Asia, thereby building a broader regional network and further strengthening our operations in the Asia-Pacific market. We believe that our international expansion plan will not be subject to any tariff or international trade policies. See "Business — Sales and Marketing — Impact of Geopolitical Risks" for details. We plan to recruit 10, 20, 20, 15 and 10 employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for overseas branding and communication development. We will enhance our global brand recognition by increasing overseas brand promotion, strengthening local operations and expanding industry influence in key regions such as Europe, the Americas, the Middle East and Asia-Pacific. We will adopt a multi-channel marketing approach covering traditional, local and digital media, including partnerships with global media outlets, high-exposure local advertising channels and multilingual digital campaigns. Through platforms such as Google Ads, Facebook, YouTube and LinkedIn, supported by data analytics and AI-driven optimization, we aim to improve brand exposure, enhance lead conversion and further strengthen our competitive advantage in overseas

markets. We plan to recruit three, five, three, two and one employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for building a robust global ecosystem. We plan to expand and develop a comprehensive overseas ecosystem including product development partners, sales partners, and professional service partners. We plan to recruit three, five, three, two and one employees for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

• Approximately [**REDACTED**]%, or HK$[**REDACTED**], for developing and upgrading intelligent platforms for ecosystem partner collaboration and customer operations. The partner collaboration platform supports business and technical collaboration with ecosystem partners, including data and process integration with Yonyou BIP, online management of product planning, launch, delivery and settlement, and one-stop technical support, training and certification services. We charge platform usage fees to ecosystem partners, subject to preferential arrangements for partners in the business expansion phase. The customer operations platform supports our internal lead-to-cash process, covering opportunity management, quotation, contract execution, product delivery and pipeline management, thereby enhancing the transparency, traceability and efficiency of our sales operations. More specifically, we plan to apply:

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for the intelligent platforms for ecosystem partners. We plan to recruit approximately 70 employees for this purpose over the next five years. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

– approximately [**REDACTED**]%, or HK$[**REDACTED**], for the customer operations platform. We plan to recruit approximately 70 employees for this purpose over the next five years, of which 15, 20, 15, 10 and 10 employees will be recruited in relation to the intelligent platforms for ecosystem partners in 2027, 2028, 2029, 2030 and 2031, respectively, and 15, 20, 15, 10 and 10 employees will be recruited in relation to the customer operations platform in the same years, respectively. Approximately HK$[**REDACTED**] will be used to provide salary and compensation for such personnel. Approximately HK$[**REDACTED**] will be used to purchase related specialized equipment and office supplies.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for potential strategic investments and acquisitions. We will focus on products incorporating leading technologies in the fields of data applications and AI infrastructure, as well as innovative AI-native applications in core enterprise operation domains especially (i) companies offering AI-native application products or solutions with both technological and business model innovations in specific enterprise scenarios, and (ii) companies with a strong technological edge in foundational data and AI technologies. As of the Latest Practicable Date, we had not identified or pursued any acquisition target. We focus on investment and acquisition targets that align with our strategic vision for advancing enterprises' digital and intelligent transformation. Such potential targets are typically smaller niche technology companies that are complementary to, rather than compete with, our existing business focus. Such companies and technologies should demonstrate clear synergies with our Yonyou BIP or complement our technology stack, data assets, or customer resources. We expect the revenue scale of target companies acquired or invested by us to achieve a minimum of RMB20 million, with commercially validated products and a track record of successful project implementations. As advised by Frost & Sullivan, as of March 31, 2026, there were more than 1,000 companies in China that can satisfy the above criteria.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

The new hires contemplated in our [**REDACTED**] are primarily intended to strengthen our capabilities in emerging areas such as artificial intelligence, global product adaptation and promotion, and internal system upgrade. These areas require specialized expertise that is currently underrepresented in our existing team. As AI has become a core driver of our future product strategy and technological competitiveness, attracting and cultivating AI-related talent is essential for maintaining our leadership in the industry. The prior workforce adjustment mainly involved employees engaged in traditional software development, delivery, and sales roles, whose skillsets did not align with our evolving product roadmap and strategic focus, especially on AI-driven innovation and global adaptation. In addition, we intend to maintain a steady talent renewal and capability building mechanism to ensure the ongoing enrichment and optimization of our R&D, implementation, and support teams as part of our long-term organizational development.

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

If the [**REDACTED**] is exercised in full, the [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**], after deducting the estimated [**REDACTED**] commissions and other fees and expenses payable by us in connection with the [**REDACTED**] assuming an

[**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the indicative [**REDACTED**] range). In the event that the [**REDACTED**] is exercised in full, we intent to apply the additional [**REDACTED**] to the above purposes in the proportions stated above.

If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will only deposit those [**REDACTED**] into short term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YONYOU NETWORK TECHNOLOGY COMPANY LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Yonyou Network Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-118, which comprises the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-118 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "Document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance

with the basis of preparation set out in note 2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises 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 three months ended 31 March 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	*7*	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643
Cost of sales	*8*	(4,791,104)	(4,760,273)	(4,589,269)	(830,543)	(798,812)
Gross profit		4,651,434	4,057,156	4,272,998	476,682	583,831
Other income and gains, net	*7*	847,652	607,029	760,156	217,197	170,791
Research and development costs	*8*	(2,106,470)	(2,121,782)	(2,285,525)	(559,823)	(579,179)
Sales and marketing expenses		(2,742,894)	(2,621,739)	(2,442,600)	(454,897)	(449,041)
Administrative expenses		(1,113,426)	(1,225,945)	(1,083,288)	(315,838)	(343,528)
Impairment losses on financial and contract assets	*8*	(218,524)	(296,791)	(269,862)	(65,457)	(60,110)
Other expenses		(113,715)	(333,554)	(202,699)	(22,302)	(22,432)
Finance expenses	*9*	(170,860)	(178,859)	(176,602)	(45,061)	(38,450)
Share of profits and losses of:						
– A joint venture	*19*	(122)	(872)	–	–	–
– Associates	*20*	56,923	39,109	58,400	5,831	(14,479)
Loss before tax	*8*	(910,002)	(2,076,248)	(1,369,022)	(763,668)	(752,597)
Income tax (expense)/credit	*12*	(23,236)	6,416	17,924	7,327	8,211
Loss for the year/period		(933,238)	(2,069,832)	(1,351,098)	(756,341)	(744,386)
Attributable to:						
– Owners of the parent	*14*	(967,165)	(2,061,309)	(1,389,223)	(735,789)	(722,585)
– Non-controlling interests		33,927	(8,523)	38,125	(20,552)	(21,801)
		(933,238)	(2,069,832)	(1,351,098)	(756,341)	(744,386)
Loss per share attributable to ordinary equity holders of the parent						
Basic (RMB)	*14*	(0.29)	(0.62)	(0.41)	(0.22)	(0.22)
Diluted (RMB)	*14*	(0.29)	(0.62)	(0.41)	(0.22)	(0.22)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss for the year/period	(933,238)	(2,069,832)	(1,351,098)	(756,341)	(744,386)
Other comprehensive income/(loss)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	3,009	1,315	1,876	(1,181)	(3,784)
Share of other comprehensive income/(loss) of associates	341	2,033	(2,490)	(3,582)	89
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	3,350	3,348	(614)	(4,763)	(3,695)
Other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value	–	(670)	6,814	–	–
Income tax effect	–	101	(1,022)	–	–
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	–	(569)	5,792	–	–
Other comprehensive income for the year/period, net of tax	3,350	2,779	5,178	(4,763)	(3,695)
Total comprehensive loss for the year/period	(929,888)	(2,067,053)	(1,345,920)	(761,104)	(748,081)
Attributable to:					
Owners of the parent	(963,828)	(2,058,539)	(1,383,952)	(740,548)	(726,282)
Non-controlling interests	33,940	(8,514)	38,032	(20,556)	(21,799)
	(929,888)	(2,067,053)	(1,345,920)	(761,104)	(748,081)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2023	31 December 2024	31 December 2025	31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	2,639,939	2,897,262	2,903,609	2,885,754
Right-of-use assets	*16*	371,286	350,764	343,520	338,176
Goodwill	*17*	1,674,662	1,518,843	1,495,926	1,495,926
Other intangible assets	*18*	3,617,921	4,064,334	4,039,652	3,958,638
Investment in a joint venture	*19*	9,878	8,310	–	–
Investments in associates	*20*	2,823,020	2,810,354	2,727,161	2,712,771
Financial assets at fair value through profit or loss	*26*	1,004,058	878,278	777,614	807,220
Equity investments at fair value through other comprehensive income	*21*	30,000	29,330	36,144	36,144
Trade and bills receivables	*24*	1,641	1,080	5,073	5,132
Deferred tax assets	*35*	68,264	86,885	88,111	93,759
Prepayments, other receivables and other assets	*25*	106,778	78,443	93,305	97,832
Time deposits	*27*	251,232	401,681	642,372	714,512
Total non-current assets		12,598,679	13,125,564	13,152,487	13,145,864
Current assets					
Inventories	*22*	551,583	410,876	379,301	395,130
Contract assets	*23*	881,545	864,862	959,673	1,025,915
Trade and bills receivables	*24*	2,659,787	2,584,886	2,415,090	2,353,106
Prepayments, other receivables and other assets	*25*	532,707	619,788	739,635	696,891
Financial assets at fair value through profit or loss	*26*	251,294	126,948	28,202	1,017,147
Restricted bank deposits and time deposits with an initial term of over three months	*27*	1,292,507	767,055	835,266	799,320
Cash and cash equivalents	*27*	6,752,939	5,656,857	3,120,651	1,698,160
Assets classified as held for sale	*28*	–	–	974	974
Total current assets		12,922,362	11,031,272	8,478,792	7,986,643

	Notes	31 December 2023	31 December 2024	31 December 2025	31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current liabilities					
Trade payables	*29*	1,006,520	1,102,906	1,249,752	1,223,080
Contract liabilities	*30*	2,660,486	2,866,886	3,195,617	3,163,379
Other payables and accruals	*31*	3,157,711	2,738,401	2,598,151	2,696,670
Tax payable		96,239	88,301	87,156	87,139
Lease liabilities	*16*	64,096	51,887	48,688	52,328
Interest-bearing bank loans	*33*	4,137,000	5,434,325	3,902,971	4,695,771
Other long-term liabilities	*32*	–	82,337	130,545	129,239
Total current liabilities		11,122,052	12,365,043	11,212,880	12,047,606
Net current assets/(liabilities)		1,800,310	(1,333,771)	(2,734,088)	(4,060,963)
Total assets less current liabilities		14,398,989	11,791,793	10,418,399	9,084,901
Non-current liabilities					
Other payables and accruals	*31*	41,546	5,274	2,598	2,598
Interest-bearing bank loans	*33*	1,910,400	1,432,500	668,500	68,500
Deferred income	*34*	10,687	24,619	36,897	37,276
Deferred tax liabilities	*35*	33,271	25,948	5,776	2,649
Lease liabilities	*16*	54,201	50,836	57,417	53,960
Contract liabilities	*30*	145,924	186,568	222,054	237,859
Other long-term liabilities	*32*	399,598	266,572	177,200	175,604
Total non-current liabilities		2,595,627	1,992,317	1,170,442	578,446
Net assets		11,803,362	9,799,476	9,247,957	8,506,455
Equity					
Equity attributable to owners of the parent					
Share capital	*36*	3,418,521	3,416,997	3,416,997	3,416,997
Treasury shares	*36*	(760,978)	(749,501)	(441,716)	(441,266)
Reserves	*39*	7,494,857	5,579,108	4,623,283	3,919,714
		10,152,400	8,246,604	7,598,564	6,895,445
Non-controlling interests		1,650,962	1,552,872	1,649,393	1,611,010
Total equity		11,803,362	9,799,476	9,247,957	8,506,455

Wang Wenjing
Director

Wu Zhengping
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent										
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	3,433,634	5,270,536	1,324,595	(1,196,677)	581,302	875	2,536	2,044,268	11,461,069	1,056,951	12,518,020
Loss for the year	–	–	–	–	–	–	–	(967,165)	(967,165)	33,927	(933,238)
Other comprehensive income for the year:											
Share of other comprehensive income of associates	–	–	–	–	–	341	–	–	341	–	341
Exchange differences on translation of foreign operations	–	–	–	–	–	–	2,996	–	2,996	13	3,009
Total comprehensive income/(loss) for the year	–	–	–	–	–	341	2,996	(967,165)	(963,828)	33,940	(929,888)
Final 2022 dividend declared	–	–	–	–	–	–	–	(203,575)	(203,575)	–	(203,575)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	(47,966)	(47,966)
Issue of shares	124	2,505	–	–	–	–	–	–	2,629	–	2,629
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	1,057,828	1,057,828
Shares repurchased	–	(97)	–	(816,483)	–	–	–	–	(816,580)	–	(816,580)
Grant of incentive shares	–	(844,624)	–	1,403,063	–	–	–	–	558,439	–	558,439

	Attributable to owners of the parent										
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Incentive shares repurchase obligation	–	16,541	–	(356,919)	–	–	–	–	(340,378)	–	(340,378)
Share-based payments	–	1,476	–	–	33,794	–	–	–	35,270	13,071	48,341
Cancellation of treasury shares	(15,237)	(190,801)	–	206,038	–	–	–	–	–	–	–
Transaction with non-controlling interests	–	437,866	–	–	–	–	–	–	437,866	(481,405)	(43,539)
Others[1]	–	(18,512)	–	–	–	–	–	–	(18,512)	18,543	31
At 31 December 2023	3,418,521	4,674,890	1,324,595	(760,978)	615,096	1,216	5,532	873,528	10,152,400	1,650,962	11,803,362

1 The account comprises the share of capital reserve of associates and the changes in capital reserve related to equity transactions.

Year ended 31 December 2024

	Attributable to owners of the parent											
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	3,418,521	4,674,890	1,324,595	(760,978)	615,096	–	1,216	5,532	873,528	10,152,400	1,650,962	11,803,362
Loss for the year	–	–	–	–	–	–	–	–	(2,061,309)	(2,061,309)	(8,523)	(2,069,832)
Other comprehensive income for the year:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	(569)	–	–	–	(569)	–	(569)
Share of other comprehensive income of associates	–	–	–	–	–	–	2,033	–	–	2,033	–	2,033
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	1,306	–	1,306	9	1,315

	Attributable to owners of the parent											
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total comprehensive income for the year	–	–	–	–	–	(569)	2,033	1,306	(2,061,309)	(2,058,539)	(8,514)	(2,067,053)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(85,122)	(85,122)
Sale of treasury shares	–	28,109	–	104,148	–	–	–	–	–	132,257	–	132,257
Shares repurchased from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(896)	(896)
Shares repurchased	–	(16)	–	(261,037)	–	–	–	–	–	(261,053)	–	(261,053)
Incentive shares repurchase obligation	–	16,716	–	149,225	–	–	–	–	–	165,941	–	165,941
Share-based payments	–	46,081	–	–	37,852	–	–	–	–	83,933	6,247	90,180
Cancellation of treasury shares	(1,524)	(17,617)	–	19,141	–	–	–	–	–	–	–	–
Transaction with non-controlling interests	–	27,650	–	–	–	–	–	–	–	27,650	(8,791)	18,859
Others[1]	–	4,015	–	–	–	–	–	–	–	4,015	(1,014)	3,001
At 31 December 2024	3,416,997	4,779,828	1,324,595	(749,501)	652,948	(569)	3,249	6,838	(1,187,781)	8,246,604	1,552,872	9,799,476

1 The account comprises the share of capital reserve of associates and the changes in capital reserve related to equity transactions.

Year ended 31 December 2025

	Attributable to owners of the parent										
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,416,997	4,779,828	1,324,595	(749,501)	652,948	(569)	3,249	6,838	(1,187,781)	8,246,604	1,552,872	9,799,476
Loss for the year	–	–	–	–	–	–	–	–	(1,389,223)	(1,389,223)	38,125	(1,351,098)
Other comprehensive income for the year:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	5,792	–	–	–	5,792	–	5,792
Share of other comprehensive loss of associates	–	–	–	–	–	–	(2,490)	–	–	(2,490)	–	(2,490)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	1,969	–	1,969	(93)	1,876

	Attributable to owners of the parent											
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total comprehensive income for the year	–	–	–	–	–	5,792	(2,490)	1,969	(1,389,223)	(1,383,952)	38,032	(1,345,920)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(52,075)	(52,075)
Sale of treasury shares	–	143,413	–	241,815	–	–	–	–	–	385,228	–	385,228
Shares repurchased from non-controlling shareholders	–	(51,253)	–	–	–	–	–	–	–	(51,253)	(4,226)	(55,479)
Shares repurchased	–	(6)	–	(184,293)	–	–	–	–	–	(184,299)	–	(184,299)
Incentive shares repurchase obligation	–	130,038	–	250,263	–	–	–	–	–	380,301	–	380,301
Share-based payments	–	44,801	–	–	(5,000)	–	–	–	–	39,801	456	40,257
Transaction with non-controlling interests	–	174,078	–	–	–	–	–	–	–	174,078	106,390	280,468
Others[1]	–	(7,944)	–	–	–	–	–	–	–	(7,944)	7,944	–
At 31 December 2025	3,416,997	5,212,955	1,324,595	(441,716)	647,948	5,223	759	8,807	(2,577,004)	7,598,564	1,649,393	9,247,957

1 The account comprises the changes in capital reserve related to equity transactions.

Three months ended 31 March 2025 (unaudited)

	Attributable to owners of the parent											
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,416,997	4,779,828	1,324,595	(749,501)	652,948	(569)	3,249	6,838	(1,187,781)	8,246,604	1,552,872	9,799,476
Loss for the period (unaudited)	–	–	–	–	–	–	–	–	(735,789)	(735,789)	(20,552)	(756,341)
Other comprehensive income for the period:												
Share of other comprehensive income of associates (unaudited)	–	–	–	–	–	–	(3,582)	–	–	(3,582)	–	(3,582)
Exchange differences on translation of foreign operations (unaudited)	–	–	–	–	–	–	–	(1,177)	–	(1,177)	(4)	(1,181)
Total comprehensive income for the period (unaudited)	–	–	–	–	–	–	(3,582)	(1,177)	(735,789)	(740,548)	(20,556)	(761,104)
Shares repurchased from non-controlling shareholders (unaudited)	–	(6,397)	–	–	–	–	–	–	–	(6,397)	–	(6,397)
Shares repurchased (unaudited)	–	(1)	–	(15,395)	–	–	–	–	–	(15,396)	–	(15,396)
Incentive shares repurchase obligation (unaudited)	–	1,157	–	–	–	–	–	–	–	1,157	–	1,157
Share-based payments (unaudited)	–	–	–	–	12,217	–	–	–	–	12,217	903	13,120
Transaction with non-controlling interests (unaudited)	–	19	–	–	–	–	–	–	–	19	2	21
Others[1]	–	–	–	–	–	–	–	–	–	–	(4,861)	(4,861)
At 31 March 2025 (unaudited)	3,416,997	4,774,606	1,324,595	(764,896)	665,165	(569)	(333)	5,661	(1,923,570)	7,497,656	1,528,360	9,026,016

1 The account comprises the changes in capital reserve related to equity transactions.

Three months ended 31 March 2026

	Attributable to owners of the parent											
	Share capital	Capital reserve*	Statutory reserve*	Treasury shares	Share-based payments reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Other reserve*/**	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	3,416,997	5,212,955	1,324,595	(441,716)	647,948	5,223	759	8,807	(2,577,004)	7,598,564	1,649,393	9,247,957
Loss for the period	–	–	–	–	–	–	–	–	(722,585)	(722,585)	(21,801)	(744,386)
Other comprehensive income for the period:												
Share of other comprehensive loss of associates	–	–	–	–	–	–	89	–	–	89	–	89
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(3,786)	–	(3,786)	2	(3,784)
Total comprehensive income for the period	–	–	–	–	–	–	89	(3,786)	(722,585)	(726,282)	(21,799)	(748,081)
Sale of treasury shares	–	470	–	450	–	–	–	–	–	920	–	920
Shares repurchased from non-controlling Shareholders	–	(213)	–	–	–	–	–	–	–	(213)	–	(213)
Shares repurchased	–	–	–	(5,492)	–	–	–	–	–	(5,492)	–	(5,492)
Incentive shares repurchase obligation	–	24,140	–	5,492	–	–	–	–	–	29,632	–	29,632
Share-based payments	–	–	–	–	5,732	–	–	–	–	5,732	139	5,871
Transaction with non-controlling interests	–	(7,416)	–	–	–	–	–	–	–	(7,416)	(16,723)	(24,139)
At 31 March 2026	3,416,997	5,229,936	1,324,595	(441,266)	653,680	5,223	848	5,021	(3,299,589)	6,895,445	1,611,010	8,506,455

* These reserve accounts comprise the consolidated reserves of RMB7,494,857,000, RMB5,579,108,000, RMB4,623,283,000 and RMB3,919,714,000 in the consolidated statement of financial position at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026, respectively.

** The other reserve accounts comprise the share of other comprehensive (loss)/income of associates.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Operating activities						
Loss before tax		(910,002)	(2,076,248)	(1,369,022)	(763,668)	(752,597)
Adjustments for:						
Finance expenses	*9*	170,860	178,859	176,602	45,061	38,450
Interest income	*7*	(104,817)	(67,462)	(42,902)	(14,018)	(8,697)
Write-down of inventories to net realisable value	*8*	9,140	4,215	870	136	1,270
Provision for impairment of contract assets	*8*	53,080	53,716	106,950	21,906	12,806
Provision for impairment of a joint venture and associates	*8*	7,658	68,209	69,912	–	–
Provision for impairment of goodwill	*8*	–	155,819	22,917	–	–
Provision for impairment of trade and bills receivables		157,137	235,385	162,093	31,911	42,487
Provision for impairment of prepayments, other receivables and other assets		8,307	7,690	819	11,640	4,817
Depreciation of property, plant and equipment	*8*	144,897	138,438	124,273	30,088	30,804
Depreciation of right-of-use assets	*8*	89,176	82,839	67,326	17,922	15,678
Amortisation of other intangible assets	*8*	702,096	988,162	1,232,108	306,239	345,420
(Gains)/losses on disposal of items of property, plant and equipment, other intangible assets and other long-term assets		(34,780)	(1,620)	483	526	(377)
Fair value (gains)/losses on financial assets and liabilities at fair value through profit or loss		8,383	49,832	(168,323)	(57,648)	(2,121)
Equity-settled share-based payment expense		42,214	79,020	34,206	10,550	4,873
Share of profits and losses of a joint venture and associates		(56,801)	(38,237)	(58,400)	(5,831)	14,479

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Dividend income on financial assets at fair value through profit or loss	7	(691)	(9,147)	(1,595)	–	–
Gains from business combinations achieved in stages	7	(4,015)	–	–	–	–
Gains on disposal of a subsidiary	7	–	–	(4,027)	–	–
(Gains)/losses on disposal of a joint venture and associates	7	(12,924)	(3,639)	13,817	(421)	–
		268,918	(154,169)	368,107	(365,607)	(252,708)
(Increase)/decrease in inventories		(28,212)	145,611	26,551	(36,755)	(17,099)
Increase in contract assets		(242,358)	(37,033)	(201,761)	(42,985)	(79,048)
(Increase)/decrease in restricted deposits		(40,503)	(102,060)	121,056	119,612	5,602
(Increase)/decrease in trade and bills receivables		(560,867)	(156,719)	4,508	35,860	19,995
(Increase)/decrease in prepayments, other receivables and other assets		(23,786)	(87,527)	(107,121)	(7,766)	31,260
Increase/(decrease) in other payables and accruals		84,581	(246,504)	59,986	(664,491)	(686,195)
Increase/(decrease) in contract liabilities		338,185	247,044	365,449	(54,026)	(16,433)
Increase/(decrease) in deferred income		(72,855)	13,932	12,278	–	379
Increase/(decrease) in trade payables		173,779	96,386	151,655	(16,250)	(26,672)
Cash generated from/(used in) operations		(103,118)	(281,039)	800,708	(1,032,408)	(1,020,919)
Interest received		39,066	34,756	17,319	11,577	16,440
Income taxes paid		(26,447)	(27,365)	(5,641)	(1,652)	(581)
Net cash flows from/(used in) operating activities		(90,499)	(273,648)	812,386	(1,022,483)	(1,005,060)

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Investing activities					
Interest received	117,806	17,605	18,582	2,313	6,139
Purchases of items of property, plant and equipment	(177,986)	(340,014)	(137,564)	(46,925)	(39,105)
Proceeds from disposal of items of property, plant and equipment	7,129	922	1,988	634	95
Proceeds from disposal of assets of held for sale	–	–	2,000	–	2,300
Acquisition of subsidiaries	(163,952)	(34,355)	(11,735)	(6,571)	(2,568)
Proceeds from the disposal of time deposits with an initial term of over three months	3,209,323	1,766,000	638,333	73,779	213,707
Proceeds from the disposal of financial investments	4,268,903	4,901,432	5,627,238	1,538,221	380,820
Proceeds from disposal of investments in associates	17,611	31,187	24,889	4,836	3,250
Dividends received	4,397	18,600	12,434	–	–
Gains on financial investments	68,361	26,616	16,222	1,524	1,187
Proceeds from the disposal of items of other intangible assets	1,710	20	–	–	–
Purchases of other intangible assets	(1,618,916)	(1,418,984)	(1,199,720)	(293,408)	(263,327)
Purchases of financial investments	(4,411,821)	(4,727,358)	(5,273,703)	(2,194,092)	(1,376,978)
Purchases of time deposits with an initial term of over three months	(1,750,108)	(1,274,519)	(1,059,687)	(383,842)	(290,000)
Additional investments in associates	(84,926)	(75,280)	(6,000)	(6,000)	(284)
Purchases of equity instruments at fair value through other comprehensive income	(30,000)	–	–	–	–
Net cash flows used in investing activities	(542,469)	(1,108,128)	(1,346,723)	(1,309,531)	(1,364,764)

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Financing activities					
Proceeds from issue of shares	2,629	–	–	–	–
Proceeds from disposal of treasury shares	–	132,178	384,999	–	920
Proceeds from grant of incentive shares	558,439	–	–	–	–
Capital contribution from non-controlling shareholders	1,165,418	9,559	65	20	–
New bank loans	5,495,500	5,167,425	3,752,471	1,339,000	1,340,200
Repayment of bank loans	(3,666,100)	(4,348,000)	(6,047,825)	(1,682,000)	(1,147,400)
Dividends paid	(203,575)	–	–	–	–
Dividends paid to non-controlling shareholders	(47,966)	(85,122)	(52,053)	–	–
Interest paid	(159,372)	(188,475)	(169,130)	(45,424)	(32,815)
Lease payments	(84,785)	(78,200)	(63,909)	(14,916)	(11,440)
Repurchase of the Group's shares	(868,082)	(290,847)	(252,139)	(31,182)	(5,705)
Purchases share of non-controlling shareholders	(54,877)	(18,897)	–	–	–
Payments for [**REDACTED**] expenses	–	–	(24,693)	–	(472)
Proceeds from disposal of investments in subsidiary	–	–	291,226	–	–
New other borrowing	–	–	962,000	–	1,434,000
Repayment of other borrowing	–	–	(762,000)	–	(621,925)
Others	(48,460)	(12,042)	(21,905)	–	(4,246)
Net cash flows from/(used in) financing activities	2,088,769	287,579	(2,002,893)	(434,502)	951,117

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net increase/(decrease) in cash and cash equivalents		1,455,801	(1,094,197)	(2,537,230)	(2,766,516)	(1,418,707)
Cash and cash equivalents at the beginning of year/period		5,294,235	6,752,939	5,656,857	5,656,857	3,120,651
Effect of foreign exchange rate changes, net		2,903	(1,885)	1,024	(1,181)	(3,784)
Cash and cash equivalents at the end of year/period		6,752,939	5,656,857	3,120,651	2,889,160	1,698,160
Cash and bank balances as stated in the statement of financial position	*27*	6,752,939	5,656,857	3,120,651	2,889,160	1,698,160

STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2023	31 December 2024	31 December 2025	31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	1,468,209	1,390,313	1,329,504	1,315,553
Right-of-use assets	*16*	252,960	227,038	220,949	216,170
Goodwill	*17*	17,100	157,639	157,639	157,639
Other intangible assets	*18*	3,224,326	3,776,462	3,854,889	3,799,797
Investments in subsidiaries	*20*	4,987,084	4,499,945	4,459,526	4,459,526
Investment in an associate	*20*	2,074,119	2,107,365	2,143,653	2,126,296
Equity investments at fair value through other comprehensive income	*21*	30,000	29,330	36,144	36,144
Financial assets at fair value through profit or loss	*26*	768,480	624,088	496,271	496,271
Prepayments, other receivables and other assets	*25*	3,127	–	–	–
Deferred tax assets	*35*	5,136	4,970	3,401	3,678
Total non-current assets		12,830,541	12,817,150	12,701,976	12,611,074
Current assets					
Inventories	*22*	247,492	155,784	201,206	198,491
Contract assets	*23*	562,564	579,178	685,336	736,116
Trade and bills receivables	*24*	1,367,410	1,292,884	1,131,188	1,141,357
Prepayments, other receivables and other assets	*25*	2,219,730	2,813,676	2,831,200	3,093,170
Financial assets at fair value through profit or loss	*26*	17,637	15,991	25,212	25,376
Restricted bank deposits and time deposits with an initial term of over three months	*27*	866,664	164,185	37,068	31,241
Cash and cash equivalents	*27*	2,275,396	1,778,572	165,191	226,976
Assets classified as held for sale	*28*	–	–	974	974
Total current assets		7,556,893	6,800,270	5,077,375	5,453,701
Current liabilities					
Trade payables	*29*	694,560	824,442	1,196,211	1,220,722
Contract liabilities	*30*	1,285,830	1,358,449	1,637,301	1,662,007
Other payables and accruals	*31*	2,047,836	1,827,994	1,774,036	2,300,517
Tax payable		11,927	11,927	11,927	11,927
Lease liabilities	*16*	28,549	17,563	20,960	22,156
Interest-bearing bank loans	*33*	4,122,000	5,399,325	3,863,071	4,638,571
Total current liabilities		8,190,702	9,439,700	8,503,506	9,855,900
Net current liabilities		(633,809)	(2,639,430)	(3,426,131)	(4,402,199)
Total assets less current liabilities		12,196,732	10,177,720	9,275,845	8,208,875

	Notes	31 December 2023	31 December 2024	31 December 2025	31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Other payables and accruals	*31*	18,512	2,673	2,598	2,598
Interest-bearing bank loans	*33*	1,910,400	1,432,500	668,500	68,500
Lease liabilities	*16*	26,345	17,166	16,791	14,158
Deferred income	*34*	1,823	5,950	7,420	7,799
Deferred tax liabilities	*35*	–	2,310	1,565	1,378
Total non-current liabilities		1,957,080	1,460,599	696,874	94,433
Net assets		10,239,652	8,717,121	8,578,971	8,114,442
Equity					
Share capital	*36*	3,418,521	3,416,997	3,416,997	3,416,997
Treasury shares	*36*	(760,978)	(749,501)	(441,716)	(441,266)
Reserves	*39*	7,582,109	6,049,625	5,603,690	5,138,711
Total equity		10,239,652	8,717,121	8,578,971	8,114,442

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company, formerly known as Yonyou Network Technology Company Limited, was converted from a limited liability company to a joint stock company with limited liability in December 1999. In May 2001, the Company completed the listing of A Shares on the Shanghai Stock Exchange (stock code: 600588). The Company's registered office is located at No. 68, Beiqing Road, Haidian District, Beijing, China.

During the Relevant Periods, the Company and its subsidiaries were involved in development and sales of software, digital solutions and intelligent services.

The ultimate controlling person of the Company is Mr. Wang Wenjing.

Information about subsidiaries

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, the particulars of the Company's principal subsidiaries are set out below:

Name*	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Chongqing Yonyou Software Co., Ltd. (hereinafter referred to as "Chongqing Yonyou")[1]	Chongqing, PRC, Chinese mainland, 8 February 1996	RMB10,000,000	82	18	Development and sales of software, digital solutions and intelligent services
Guangdong Yonyou Software Co., Ltd. (hereinafter referred to as "Guangdong Yonyou")[2]	Guangzhou, PRC, Chinese mainland, 6 May 1994	RMB5,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Beijing Yonyou Government Affairs Software Co., Ltd. (hereinafter referred to as "Yonyou Government Affairs")[3]	Beijing, PRC, Chinese mainland, 24 December 2002	RMB150,869,226	72.42	–	Development and sales of software, digital solutions and intelligent services
Zhejiang Yonyou Software Co., Ltd. (hereinafter referred to as "Zhejiang Yonyou")[4]	Hangzhou, PRC, Chinese mainland, 23 May 2005	RMB5,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Xiamen Yonyou Tobacco Software Co., Ltd. (hereinafter referred to as "Xiamen Yonyou Tobacco")[5]	Xiamen, PRC, Chinese mainland, 23 August 2005	RMB21,929,825	66.58	10.03	Provision of software, digital solutions and intelligent services
Shenzhen Yonyou Software Co., Ltd. (hereinafter referred to as "Shenzhen Yonyou")[6]	Shenzhen, PRC, Chinese mainland, 16 October 2006	RMB70,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Yonyou Guangxin Network Technology Co., Ltd. (hereinafter referred to as "Yonyou Guangxin")[7]	Beijing, PRC, Chinese mainland, 14 May 2015	RMB50,000,000	75	25	Development and sales of software, digital solutions and intelligent services
Seentao Technology Co., Ltd. (hereinafter referred to as "Seentao Tech")[8]	Sanya, PRC, Chinese mainland, 30 April 2011	RMB236,488,834	53.03	1.01	Provision of software, digital solutions and intelligent services
Yonyou Financial Information Technology Co., Ltd. (hereinafter referred to as "Yonyou Fintech")[8]	Beijing, PRC, Chinese mainland, 3 August 2004	RMB106,025,216	75.45	–	Provision of software, digital solutions and intelligent services

* The English names of the companies registered in the PRC, represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

Name*	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Yonyou Auto Information Technology (Shanghai) Co., Ltd. (hereinafter referred to as "Yonyou Auto")[8]	Shanghai, PRC, Chinese mainland, 13 March 2003	RMB144,317,400	56.25	0.57	Provision of software, digital solutions and intelligent services
Hunan Yonyou Software Co., Ltd. (hereinafter referred to as "Hunan Yonyou")[9]	Changsha, PRC, Chinese mainland, 16 September 2008	RMB3,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Yonyou (Nanchang) Industrial Base Development Co., Ltd. (hereinafter referred to as "Yonyou Nanchang")[7]	Nanchang, PRC, Chinese mainland, 8 September 2009	RMB966,962,546	100	–	Property management and operation of industry bases
Beijing Yonyou Shuneng Technology Co., Ltd. (hereinafter referred to as "Yonyou Shuneng")[10]	Beijing, PRC, Chinese mainland, 27 May 2015	RMB105,000,000	100	–	Provision of software, digital solutions and intelligent services
Chanjet Information Technology Co., Ltd. (hereinafter referred to as "Chanjet")[11]	Beijing, PRC, Chinese mainland, 19 March 2010	RMB322,230,805	53.80	0.31	Provision of software, digital solutions and intelligent services to micro and small-scale enterprises
Tianjin Yonyou Software Technology Co., Ltd. (hereinafter referred to as "Tianjin Yonyou")[12]	Tianjin, PRC, Chinese mainland, 7 May 1996	RMB5,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Shandong Yonyou Software Technology Co., Ltd. (hereinafter referred to as "Shandong Yonyou")[13]	Jinan, PRC, Chinese mainland, 13 October 2006	RMB5,000,000	90	10	Development and sales of software, digital solutions and intelligent services
Shanghai Dayee Cloud Computing Co., Ltd. (hereinafter referred to as "Dayee Cloud")[14]	Shanghai, PRC, Chinese mainland, 25 May 2004	RMB48,558,111	92.74	–	Development and sales of cloud-based digital solutions and intelligent services
YONYOU (HONGKONG) COMPANY LIMITED (hereinafter referred to as "Yonyou HK")[15]	Hong Kong, PRC, 27 June 2003	USD3,000,000 and HKD2	–	100.00	Development and sales of software, digital solutions and intelligent services
Shanghai Yonyou Government Affairs Software Co., Ltd. (hereinafter referred to "Shanghai Yonyou Government Affairs")[16]	Shanghai, PRC, Chinese mainland, 30 July 2003	RMB1,100,000	–	72.42	Development and sales of software, digital solutions and intelligent services
Beijing Yonyou Xinfushe Cloud Technology Co., Ltd. (hereinafter referred to "Yonyou Xinfushe")[17]	Beijing, PRC, Chinese mainland, 29 January 2016	RMB50,000,000	–	71.43	Provision of comprehensive digital and intelligent enterprise workforce management solutions, including socialized shared workforce cloud platforms and settlement services

* The English names of the companies registered in the PRC, represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

1 The statutory financial statements for the years ended 31 December 2023 and 2024 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Hunan Yuan Yang Public Accounting Firm Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2025 prepared under PRC GAAP were audited by Hunan Er Wan Public Accounting Firm Co., Ltd., certified public accountants registered in the PRC.

2 The statutory financial statements of this entity for the year ended 31 December 2023 prepared under PRC GAAP were audited by Guangdong Jinyong Certified Public Accountants Firms., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2024 and 2025 prepared under PRC GAAP were audited by Beijing Anshen Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.

3 The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Dahua Certified Public Accountants (Special General Partnership), certified public accountants registered in the PRC.

4 The statutory financial statements of this entity for the years ended 31 December 2023 prepared under PRC GAAP were audited by Zhejiang Zhengrui Accounting Firm Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2024 prepared PRC GAAP were audited by Hu Nan Yuan Yang Public Accounting Firm Co., Ltd, certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2025 prepared under PRC GAAP were audited by Hunan Er Wan Public Accounting Firm Co., Ltd., certified public accountants registered in the PRC.

5 The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Fujian PowerPuHe Certified Public Accountants Co., LTD, certified public accountants registered in the PRC.

6 The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Beijing Anshen Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.

7 No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as the entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

8 The statutory financial statements of these entities for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, certified public accountants registered in the PRC.

9 The statutory financial statements for the years ended 31 December 2023 and 2024 prepared under PRC GAAP were audited by Hunan Yuan Yang Accounting Firm Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2025 prepared under PRC GAAP were audited by Hunan Er Wan Public Accounting Firm Co., Ltd., certified public accountants registered in the PRC.

10 The statutory financial statements for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Dongshen Dingli International Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.

11 The statutory financial statements for the years ended 31 December 2023, 2024 and 2025 prepared under IFRS Accounting Standards were audited by Ernst & Young Hong Kong, certified public accountants registered in the Hong Kong.

12 The statutory financial statements for the year ended 31 December 2023 prepared under PRC GAAP were audited by Beijing Anshen Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements for the year ended 31 December 2024 prepared under PRC GAAP were audited by Beijing Zhongren Sitai Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements for the year ended 31 December 2025 prepared under PRC GAAP were audited by Dongshen Dingli International Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC.

13 The statutory financial statements for the year ended 31 December 2023 prepared under PRC GAAP were audited by Shandong Xinyuan Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements for the year ended 31 December 2024 prepared under PRC GAAP were audited by Shandong Hong'an Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements for the year ended 31 December 2025 prepared under PRC GAAP were audited by Shandong Ruixing United Certified Public Accountants (General Partnership), certified public accountants registered in the PRC.

14 The statutory financial statements for the years ended 31 December 2023, 2024 and 2025 prepared under PRC GAAP were audited by Beijing Dongshen Certified Public Accountants (LLP)., certified public accountants registered in the PRC.

15 The statutory financial statements for the year ended 31 December 2023 and 2024 prepared under Hong Kong Financial Reporting Standard for Private Entities were audited by Conpak CPA Limited, certified public accountants registered in the Hong Kong.

16 The statutory financial statements for the years ended 31 December 2023 and 2024 prepared under PRC GAAP were audited by Huajian Certified Public Accountants (Shenzhen) Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2025 prepared under PRC GAAP were audited by Shenzhen Pengtai Certified Public Accountants (General Partnership), certified public accountants registered in the PRC.

17 The statutory financial statements for the year ended 31 December 2023 prepared under PRC GAAP were audited by Beijing Hongchangtai Certified Public Accountants (General Partnership), certified public accountants registered in the PRC, and the statutory financial statements for the year ended 31 December 2024 prepared under PRC GAAP were audited by Beijing Zhonghande Certified Public Accountants Co., Ltd., certified public accountants registered in the PRC, and the statutory financial statements of this entity for the year ended 31 December 2025 prepared under PRC GAAP were audited by Beijing Cunxin Weigong Certified Public Accountants (General Partnership), certified public accountants registered in the PRC.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for derivative financial instruments, financial assets and equity investments at fair value through profit or loss, and equity investments and bills receivables measured at FVTOCI which have been measured at fair value. Assets held for sale are stated at the lower of its carrying amounts and fair values less costs to sell as further explained in note 4.

Going concern basis

As at 31 March 2026, the Group had net current liabilities of RMB4,060,963,000. The directors of the Group have considered the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Based on careful consideration of the Group's cashflow projection, the Group's cash and bank balances as well as the unutilised credit facilities offered from financial institutions, in the opinion of the directors of the Company, the Group can meet its liabilities as and when they fall due within the next 12 months for the date of this accountants' report. Accordingly, the Historical Financial Information of the Group has been prepared on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the Relevant Periods. 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 Relevant Periods 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.

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 exchange fluctuation 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.

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*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

1 Effective for annual periods beginning on or after 1 January 2027

2 No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies and no significant impact on the Group's financial performance and financial position is expected in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates and a joint venture

An associate is an entity in which the Group has a long-term interest of the equity over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or a joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or a joint venture are eliminated to the extent of the Group's investments in the associates or a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or a joint venture is included as part of the Group's investments in associates or a joint venture.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the

purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments, financial assets, bills receivables measured at FVTOCI and equity investments at fair value at the end of each of the Relevant Periods. 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 Historical Financial Information 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

For assets and liabilities that are recognised in the Historical Financial Information 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 of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and assets held for sale), 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 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 of the Relevant Periods 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.

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 venture 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.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in

accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". 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 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:

Buildings	2.4%
Machinery	4.9% to 12.1%
Vehicles	16.2%
Electronic and other equipments	20.0% to 33.3%
Improvements and others	Over the shorter of the lease terms and 20.0%

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/period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and other intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. 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.

Software copyrights

Software copyrights and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 10 years or the estimated contractual useful life.

Others

Others mainly contains customer relationships, technologies and brands acquired in a business combination are recognised at fair value at the acquisition date. Others are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 1 to 10 years.

Research and development costs

All research costs are charged to the balance sheet or 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.

Deferred development costs are stated at cost less any impairment losses. They are reclassified to the software copyrights when the products are put into commercial production.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease 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:

Office buildings	2 to 6 years
Vehicles	2 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by 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.

(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 loan 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 office buildings and other 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 other equipment and laptop computers that are 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.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

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 other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

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

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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 primary 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).

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 may 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 and contract assets 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 and contract assets 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.

For trade and bills receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

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 payables, as appropriate.

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

The Group's financial liabilities include trade and other payables and an amount due to the ultimate holding company and interest-bearing bank loans.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

After initial recognition, trade and other payables, and interest-bearing loans 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 expenses 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.

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.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the statement of profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the statement of profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the statement of profit or loss as a reclassification adjustment. After the discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

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 the statement of 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 weighted average basis/first-in, first-out 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 Relevant Periods 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 expenses in the statement of profit or loss.

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 statements.

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 Relevant Periods, 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 Relevant Periods 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, and associates and joint ventures, 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 and associates and joint venture, 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.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods 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 of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profits 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 Relevant Periods.

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 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.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers 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.

The Group's revenue can be divided into cloud-based services, software products and others according to the product and service type. The obligation of the cloud-based services and software products mainly include:

(a) Sales of products

Contracts between the Group and customers for the sale of software license and hardware generally include performance obligations for the grant of software licenses and the transfer of hardware. The Group generally recognises revenue when the software license is granted and the hardware is delivered to the customer and the customer obtains the control right on the basis of comprehensive consideration of the following factors: the current collection right of granting software license and selling hardware, the transfer of main risks and rewards of software license and hardware ownership, the transfer of legal ownership of hardware, the transfer of physical assets of hardware, and the customer's acceptance of software license and hardware.

(b) Provision of services

The service contracts between the Group and its clients typically include performance obligations such as software license development, implementation, software license support and maintenance, and subscription. For contracts where the client simultaneously obtains and consumes the economic benefits derived from the Group's performance during its fulfilment, or where the services provided by the Group during the fulfilment process have a non-substitutable purpose and the Group has the right to receive payment for the cumulative completed performance to date throughout the contract period, the Group recognizes the revenue over time from these services as performance obligations satisfied over time and accounts for revenue based on the progress of performance, unless such progress cannot be reasonably measured. The Group determines the progress of service delivery using the input method, based on costs incurred or time elapsed. If the progress of performance cannot be reasonably determined but the costs incurred are expected to be recoverable, revenue is recognised in an amount equal to the amount of costs incurred until the progress can be reliably measured. For services that do not meet the criteria for revenue recognition based on performance progress, the Group recognises the revenue when control of the related service is transferred to the client.

Provision

According to sales contract, if the Group provide statutory quality assurance for the customers, the accounting treatments can be referred to provision. If the Group provides customers with service-based quality assurance beyond the statutory quality assurance , it should be regarded as a single performance obligation by the Group and should be allocated part of the transaction price according to the relative proportion of the single fair value price of the goods and service-based quality assurance. The Group recognises the revenue when control of the related service is transferred to the client.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

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.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade and bills receivables when the right to the consideration becomes unconditional.

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).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and other intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

The costs to fulfil a contract which is capitalised is presented in inventories account as work in progress.

Share-based Payments

The Company operates share option schemes and share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based compensation plans, 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 a Black-Scholes model, further details of which are given in notes 37 and 38 to the Historical Financial Information.

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 of the Relevant Periods 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.

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.

The dilutive effect of treasury shares acquired for the schemes is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Company and its subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government, which is a defined contribution plan. The Company and its subsidiary 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.

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. All costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the loan of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, 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 Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, 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.

Foreign currencies

The Historical Financial Information are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements 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 Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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 determined. 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 certain overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods 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 exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. 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.

For the purpose of the consolidated statement of cash flows, the cash flows of an overseas subsidiary are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of an overseas subsidiary which arise throughout the year/period are translated into RMB at the weighted average exchange rate for the Relevant Periods.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information 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:

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of financial assets. It is necessary to judge whether the contractual terms only give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, whether there are significant differences compared with the benchmark cash flow when evaluating the correction of the time value of money, and whether the fair value of the prepayment feature is insignificant for financial assets that include prepayment feature, etc.

Method for determining the performance progress of implementation and development service contract (only applicable to situation where control rights are transferred over time)

The Group uses input method to measure the progress toward satisfaction of the performance obligations and evaluates the performance progress based on the proportion of the actual costs (working hours) incurred to the estimated total costs (working hours). Given that the duration of the relevant contracts may span several accounting periods, the Group will review and revise the budget as the contract progresses, and adjust the revenue recognition amount accordingly.

Determination of single performance obligations

Contracts with customers usually includes the sale of licences, provision of implementation and development services and maintenance services. A licences or services is a single performance obligation if the customers can benefit from it separately from the others goods or services promised in the contract.

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.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, 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.

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The application of the expected credit loss model requires significant judgments and estimates and requires consideration of all reasonable and evidence-based information, including forward-looking information. In making these judgments and estimates, the Group estimates expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision of impairment provisions, and the provision of impairment may not equal the actual amount of impairment losses in the future.

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 of the Relevant Periods. 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 to 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.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill was RMB1,674,662,000, RMB1,518,843,000, RMB1,495,926,000 and RMB1,495,926,000 at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026. Further details are given in note 17 to the Historical Financial Information.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 49 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments was RMB844,891,000, RMB739,873,000, RMB813,758,000 and RMB843,364,000 at 31 December 2023, 31 December 2024, 31 December 2025 and 31 March 2026. Further details are included in note 21 and note 26 to the Historical Financial Information.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 4 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Share-based payments

When calculating the expenses related to equity incentive plans, the Group's management needs to estimate matters such as resignation rate and vesting conditions. Different estimates will have significant impacts on the financial statements. If the rights are exercisable only after completing the services during the waiting period or meeting the specified performance conditions, on each balance sheet date during the waiting period, the company need to make the best estimate of the number of rights equity instruments based on the latest information obtained. The assessment of the fair value of the share-based payments grant dates involves estimates and assumptions, and changes in these estimates and assumptions may affect the fair value at the grant date of the share-based payment.

Depreciation of property, plant and equipment

Depreciation on the Group's property, plant and equipment 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. Management reviews the useful lives and residual values periodically to ensure that the method and rates of depreciation are consistent with the expected pattern of realisation of economic benefits from property, plant and equipment. The accounting estimate of the useful lives of property, plant and equipment is based on historical experience, taking into account anticipated technological changes. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly. Further details are disclosed in note 15 to the Historical Financial Information.

Useful life of other intangible assets

The expected useful life of other intangible assets is based on the actual useful life of other intangible assets with similar nature and functions in the past, estimated based on historical experience, and the duration of contractual rights or other legal rights applicable to these other intangible assets.

If the useful life of these other intangible assets is shortened or extended, for other intangible assets with limited useful lives, the amortisation period shall be changed; for other intangible assets with uncertain useful lives, if there is evidence that their useful lives are limited, their useful lives shall be estimated and treated in accordance with the treatment principles for other intangible assets with limited useful lives.

6. OPERATING SEGMENT INFORMATION

During the Relevant Periods and three months ended 31 March 2025, the company's core business is to provide development and sales of software, digital solutions and intelligent services. Resource allocation and performance assessment are managed on a group basis.

Therefore, for management purposes, the Group's operating activities are attributable to a single reportable segment, and no analysis by operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese mainland	9,238,147	8,599,265	8,558,341	1,272,354	1,306,689
Other countries/regions	204,391	218,164	303,926	34,871	75,954
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chinese mainland	11,213,321	11,698,434	11,579,313	11,452,771
Other countries/regions	20,664	19,002	30,996	27,106
Total	11,233,985	11,717,436	11,610,309	11,479,877

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

Since no revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer during the Relevant Periods and three months ended 31 March 2025, including sales to a group of entities which are known to be under common control with any customer, no major customer information in accordance with IFRS 8 *Operating Segments* is presented.

7. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers					
Cloud-based services	7,047,540	6,803,966	7,017,404	1,040,895	1,125,726
Software products	2,163,665	1,708,513	1,512,118	208,530	201,721
Others	231,333	304,950	332,745	57,800	55,196
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643

Revenue from contracts with customers

(i) Disaggregated revenue information

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Types of goods or services					
Cloud-based services[1]	7,047,540	6,803,966	7,017,404	1,040,895	1,125,726
Software products[1]	2,163,665	1,708,513	1,512,118	208,530	201,721
Others	231,333	304,950	332,745	57,800	55,196
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643
Geographical markets					
Chinese mainland	9,238,147	8,599,265	8,558,341	1,272,354	1,306,689
Other countries/regions	204,391	218,164	303,926	34,871	75,954
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643
Timing of revenue recognition					
Goods/services transferred at a point in time	4,106,570	3,346,821	2,986,275	408,301	342,567
Services transferred over time	5,335,968	5,470,608	5,875,992	898,924	1,040,076
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643

1 The obligation of the cloud-based services and software products mainly include the sales of products and provision of services.

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue from contracts with customers					
External customers	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643
Total	9,442,538	8,817,429	8,862,267	1,307,225	1,382,643

The following table shows the amounts of revenue recognised in the Relevant Periods and three months ended 31 March 2025 that were included in the contract liabilities at the beginning of the Relevant Periods and three months ended 31 March 2025 and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the Relevant Periods:					
Advance receipts from customers for the sales of products and provision of services	1,632,438	1,790,091	1,853,946	628,182	602,119

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation for the sale of software license or hardware with a single performance obligation is satisfied when the product is delivered to the customer. Customers typically pay the contract consideration after the delivery of the product. The Group is the principal in the performance obligation.

Provision Services

The service contracts between The Group and its clients typically include performance obligations such as software license development, implementation, software license support and maintenance, and subscription.

For the implement and development services, the performance obligations include fulfilling obligations over the period when services are provided to the customer and upon customer acceptance. The Group is the principal in the performance obligations. The contract consideration is typically paid in milestone-based installments. For certain contracts, the customer retains a portion of the amount as a warranty deposits, which is usually due within one year.

For the software license support and maintenance and subscription services, the performance obligation is satisfied over the period of service delivery. As the principal to the performance obligation, the Group generally receives contract payments throughout the service period.

The remaining performance obligations under the contracts are expected to be recognised as revenue over the next 1 to 3 years based on the progress of performance.

An analysis of other income and gains/(losses), net is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Other income					
Value-added tax refunds	259,438	244,239	209,434	74,485	75,984
Rental income	212,867	196,597	185,174	44,068	48,634
Bank interest income	104,817	67,462	42,902	14,018	8,697
Government grants and other tax refunds	124,441	46,950	72,673	8,068	13,309
Additional deduction of input value-added tax	14,798	663	–	–	–
Dividend income from financial assets at fair value through profit or loss	691	9,147	1,595	–	–
Others	84,058	84,734	90,328	19,016	21,669
Total other income	801,110	649,792	602,106	159,655	168,293
Gains/(losses), net					
Gains/(losses) on disposal of a joint venture and associates	12,924	3,639	(13,817)	421	–
Gains/(losses) on disposal of items of property, plant and equipment	342	276	(130)	9	40
Gains on disposal of items of other intangible assets and other long-term assets	–	1	–	–	–
Gains on disposal of assets held for sale	33,976	–	–	–	–
Gains/(losses) on disposal of items of right-of-use assets	462	1,343	(353)	(535)	337
Fair value (losses)/gains, net:					
Wealth management products at fair value through profit or loss	25,908	23,832	15,210	2,567	3,728
Equity investments at fair value through profit or loss	(30,425)	(98,868)	104,921	53,857	(263)
Third-party interests in consolidated structured entities	(3,866)	23,397	22,392	1,223	(1,344)
Derivative financial instruments	–	1,807	–	–	–
Contingent consideration	–	–	25,800	–	–
Exchange gains, net	3,206	1,810	–	–	–
Gains from business combinations achieved in stages	4,015	–	–	–	–
Gains on disposal of a subsidiary	–	–	4,027	–	–
Total gains/(losses), net	46,542	(42,763)	158,050	57,542	2,498
Total other income and gains, net	847,652	607,029	760,156	217,197	170,791

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of cloud-based services and software products		4,593,100	4,481,319	4,309,932	780,876	748,458
Cost of others		198,004	278,954	279,337	49,667	50,354
Cost of sales		4,791,104	4,760,273	4,589,269	830,543	798,812
Depreciation of property, plant and equipment[1]		144,897	138,438	124,273	30,088	30,804
Depreciation of right-of-use assets	*16*	89,176	82,839	67,326	17,922	15,678
Amortisation of other intangible assets	*18*	702,096	988,162	1,232,108	306,239	345,420
Lease payments not included in the measurement of lease liabilities		22,563	23,583	37,247	8,326	8,066
Research and development costs		2,106,470	2,121,782	2,285,525	559,823	579,179
Auditor's remuneration		3,000	3,050	2,950	–	–
Employee benefit expenses (including directors', supervisors' and chief executive's remuneration)[2]						
Wages and salaries		7,457,075	6,958,208	6,260,916	1,505,099	1,480,603
Equity-settled share-based payments		48,341	90,180	40,257	13,120	5,871
Pension scheme contributions[3]		707,074	703,284	661,860	170,461	154,451
		8,212,490	7,751,672	6,963,033	1,688,680	1,640,925
Less: capitalised		1,524,629	1,303,325	1,144,854	317,252	298,758
Total		6,687,861	6,448,347	5,818,179	1,371,428	1,342,167
Foreign exchange differences, net		(3,206)	(1,810)	3,573	323	730
Impairment of financial and contract assets						
Impairment of financial assets		165,444	243,075	162,912	43,551	47,304
Impairment of contract assets	*23*	53,080	53,716	106,950	21,906	12,806
Total		218,524	296,791	269,862	65,457	60,110

1 Except for the depreciation of property, plant and equipment presented in the table, certain depreciation of property, plant and equipment for the year/period are included in the items of "Other intangible assets" and "Inventories" in the consolidated statement of financial position, respectively.

2 Certain employee benefit expenses for the year/period are included in the items of "Other intangible assets" and "Inventories" in the consolidated statement of financial position, respectively.

3 There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

9. FINANCE EXPENSES

An analysis of finance expenses is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank loans	169,109	189,006	170,935	43,931	32,910
Interest on lease liabilities *(note 16)*	7,753	4,487	4,077	1,081	1,106
Others	3,348	557	1,590	49	4,434
Total interest expense on financial liabilities not at fair value through profit or loss	180,210	194,050	176,602	45,061	38,450
Less: Interest capitalised	9,350	15,191	–	–	–
Total	170,860	178,859	176,602	45,061	38,450

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration as at the end of each of the Relevant Periods and three months ended 31 March 2025 are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	360	360	360	90	90
Other emoluments:					
Salaries, allowances and benefits in kind	6,715	7,933	7,388	2,734	1,560
Performance related bonuses	1,650	1,262	1,084	503	259
Equity-settled share-based payments expense[1]	–	3,599	643	643	–
Pension scheme contributions	252	254	106	55	17
Subtotal	8,617	13,048	9,221	3,935	1,836
Total	8,977	13,408	9,581	4,025	1,926

1 During the year ended 31 December 2023, a supervisor was granted incentive shares in respect of his services to the Group under the share award scheme of the Company, further details of which are set out in note 38 to the Historical Financial Information. The fair value of incentive shares, 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 Historical Financial Information is included in the above directors', supervisors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and three months ended 31 March 2025 were as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Mr. Zhou Jian	120	120	120	30	30
Mr. Wang Feng	120	120	120	30	30
Mr. Zhang Weiguo[2]	120	65	–	–	–
Mrs. Zhang Ruijun[2]	–	55	120	30	30
Total	360	360	360	90	90

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and three months ended 31 March 2025.

2 Mr. Zhang Weiguo retired as an independent non-executive director, and Mrs. Zhang Ruijun was appointed as an independent non-executive director on 16 July 2024 to replace Mr. Zhang Weiguo.

(b) Executive directors

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:				
Mr. Wang Wenjing (Chief executive)[3]	1,947	–	63	2,010
Mr. Guo Xinping	1,598	509	63	2,170
Mr. Wu Zhengping	1,595	470	63	2,128
Total	5,140	979	189	6,308

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share-based payments expense	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Wang Wenjing (Chief executive)[3]	1,962	–	–	66	2,028
Mr. Guo Xinping	1,472	494	–	5	1,971
Mr. Wu Zhengping	1,583	414	–	55	2,052
Mr. Chen Qiangbing (Chief executive)[4]	1,375	–	3,471	61	4,907
Total	6,392	908	3,471	187	10,958

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share-based payments expense	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Wang Wenjing (Chief executive)[3]	1,823	157	–	6	1,986
Mr. Guo Xinping	1,460	397	–	–	1,857
Mr. Wu Zhengping	1,460	255	–	–	1,715
Mr. Chen Qiangbing (Chief executive)[4]	263	–	643	15	921
Mr. Huang Chenhong (Chief executive)[5]	1,344	250	–	17	1,611
Mr. Geng Fan[6]	505	–	–	34	539
Total	6,855	1,059	643	72	8,629

Three months ended 31 March 2025 (unaudited)

	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share-based payments expense	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Wang Wenjing (Chief executive)[3]	465	77	–	6	548
Mr. Guo Xinping	365	99	–	–	464
Mr. Wu Zhengping	365	64	–	–	429
Mr. Chen Qiangbing (Chief executive)[4]	263	–	643	15	921
Mr. Huang Chenhong (Chief executive)[5]	1,010	250	–	17	1,277
Total	2,468	490	643	38	3,639

Three months ended 31 March 2026

	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share-based payments expense	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Wang Wenjing (Chief executive)[3]	452	39	–	–	491
Mr. Guo Xinping	365	107	–	–	472
Mr. Wu Zhengping	365	72	–	–	437
Mr. Huang Chenhong (Chief executive)[5]	125	–	–	–	125
Mr. Geng Fan[6]	253	41	–	17	311
Total	1,560	259	–	17	1,836

3 Mr. Wang Wenjing served as a director and concurrently held the position of chief executive until 2 January 2024. He resigned from the role of chief executive on the same date.

4 Mr. Chen Qiangbing was appointed as a director and concurrently assumed the role of chief executive on 2 January 2024. He resigned from the role of chief executive on 2 January 2025, and resigned from the director on 29 March 2025.

5 Mr. Huang Chenhong was appointed as the role of chief executive on 2 January 2025, and resigned from the role of chief executive on 1 April 2025. Mr. Wang Wenjing was assumed the role of chief executive on the same date. Mr. Huang Chenhong was appointed as a director on 18 April 2025.

6 Mr. Geng Fan was appointed as a director on 24 June 2025.

During the Relevant Periods and three months ended 31 March 2025, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration.

(c) Supervisors

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Employee representative supervisor:				
Mr. Zhang Peilin	1,575	671	63	2,309
Total	1,575	671	63	2,309

Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance-related bonuses	Equity-settled share-based payments expense	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Employee representative supervisors:					
Mr. Zhang Peilin[7]	1,451	354	128	61	1,994
Mr. Li Weimin[7]	90	–	–	6	96
Total	1,541	354	128	67	2,090

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Employee representative supervisors:				
Mr. Li Weimin[8]	533	25	34	592
Total	533	25	34	592

Three months ended 31 March 2025 (unaudited)

	Salaries, allowances and benefits in kind	Performance-related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Employee representative supervisors:				
Mr. Li Weimin[8]	266	13	17	296
Total	266	13	17	296

As at 31 March 2026, the Company had no supervisors.

7 Mr. Zhang Peilin retired from the Company on 31 October 2024. As approved by the shareholders' meeting of the Company, Mr. Li Weimin was appointed as an employee representative supervisor of the Company on 31 October 2024.

8 Mr. Li Weimin resigned from the Supervisors on 24 June 2025, and no one has held the position as of 31 December 2025.

11. FIVE HIGHEST PAID EMPLOYEES

During the Relevant Periods and three months ended 31 March 2025, the five highest paid employees included Nil, one director, one director, Nil and two directors, details of whose remuneration are set out in note 10 above. Details of the remuneration of the remaining highest paid employees who are not a director, a supervisor, or chief executive of the Company are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	6,725	6,151	6,031	859	1,877
Performance-related bonuses	5,444	3,659	3,382	261	486
Equity-settled share-based payments expense	10,919	1,222	1,829	1,277	1,047
Pension scheme contributions	233	265	266	49	90
Total	23,321	11,297	11,508	2,446	3,500

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025*	Three months ended 31 March 2025	Three months ended 31 March 2026
				(unaudited)	
Nil to HK$2,000,000	–	–	–	3	5
HK$2,000,001 to HK$2,500,000	–	1	2	–	–
HK$2,500,001 to HK$3,000,000	–	1	–	–	–
HK$3,000,001 to HK$3,500,000	1	1	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	1	–	–
HK$4,000,001 to HK$4,500,000	–	1	1	–	–
HK$4,500,001 to HK$5,000,000	3	–	–	–	–
HK$8,500,001 to HK$9,000,000	1	–	–	–	–
Total	5	4	4	3	5

* Mr. Chen Qiangbing served as a director from 1 January 2025 to 29 March 2025. The total remuneration he received during his tenure as director amounted to RMB921,000. The total remuneration he received from 1 January 2025 to 31 December 2025 was RMB3,397,000.

During the Relevant Periods and three months ended 31 March 2025, share option and incentive shares were granted to some non-director and non-chief executive highest paid employees in respect of their services to the Group, further details are included in the disclosures in notes 37 and 38 to the Historical Financial Information. The fair values of such share option and incentive shares, which have been recognised in the statements of profit or loss over the vesting periods, were determined as at the dates of grant and the amount included in the Historical Financial Information for the Relevant Periods and three months ended 31 March 2025 are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

12. INCOME TAX

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax					
– Chinese mainland	22,867	17,293	2,159	1,019	154
– Other countries/ regions	1,851	2,134	2,337	–	410
Deferred tax *(note 35)*	(1,482)	(25,843)	(22,420)	(8,346)	(8,775)
Total tax charge/(credit) for the year/period	23,236	(6,416)	(17,924)	(7,327)	(8,211)

Pursuant to the relevant laws and regulations in the PRC, the statutory enterprise income tax rate of 25% was applied to the Company and its subsidiaries which are registered in Chinese mainland during the Relevant Periods and three months ended 31 March 2025. The Company and certain subsidiaries were subject to income tax at the rate of 15% as a qualified high and new technology enterprise and entitled to deduct qualifying research and development expenses from taxable profit during the Relevant Periods and three months ended 31 March 2025.

Taxation for other companies of the Group not located in Chinese mainland has been calculated based on the estimated assessable profits during the Relevant Periods and three months ended 31 March 2025 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company and its subsidiaries operate, the Company is still in the process of assessing the potential exposure to Pillar Two income taxes. Based on the current assessment, the application of Pillar Two is not expected to have material impact on the financial position of the Group.

A reconciliation of the tax expense/(credit) applicable to loss before tax at the statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense/(credit) at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before tax	(910,002)	(2,076,248)	(1,369,022)	(763,668)	(752,597)
Tax at PRC statutory tax rate of 25%	(227,501)	(519,062)	(342,256)	(190,917)	(188,149)
Effect of different income tax rates	(19,681)	(23,968)	(12,504)	(1,427)	3,392
Profits and losses attributable to a joint venture and associates	(20,406)	(9,559)	(14,600)	(1,458)	3,620
Income not subject to tax	(2,948)	(1,426)	(263)	–	–
Additional tax concession on research and development costs	(427,414)	(408,336)	(408,634)	(101,915)	(95,781)
Expenses not deductible for tax	33,066	41,888	22,053	4,578	2,663
Tax losses and deductible temporary differences not recognised	687,620	918,777	750,379	289,660	269,005
Tax losses utilised from previous periods	(9,643)	(5,486)	(20,984)	(5,848)	(2,961)
Adjustments in respect of current income tax of previous periods	7,694	756	8,885	–	–
Effect on opening deferred tax of changes in rates	2,449	–	–	–	–
Tax charge/(credit) at the Group's effective rate	23,236	(6,416)	(17,924)	(7,327)	(8,211)

13. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and three months ended 31 March 2025.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for each of the Relevant Periods and three months ended 31 March 2025 attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares of 3,362,401,541, 3,342,004,266, 3,366,648,792 during the years ended 31 December 2023, 2024 and 2025, 3,352,977,907 and 3,383,113,936 for the three months ended 31 March 2025 and 2026, respectively.

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loss					
Loss attributable to ordinary equity holders of the parent	(967,165)	(2,061,309)	(1,389,223)	(735,789)	(722,585)
Less: dividend relating to share award scheme	–	–	–	–	–
Total	(967,165)	(2,061,309)	(1,389,223)	(735,789)	(722,585)

	Number of shares				
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025 *(unaudited)*	Three months ended 31 March 2026
Shares					
Weighted average number of ordinary shares outstanding during the year/period used in the basic loss per share calculation[1]	3,362,401,541	3,342,004,266	3,366,648,792	3,352,977,907	3,383,113,936
Weighted average number of ordinary shares for the purpose of the diluted loss per share calculation	3,362,401,541	3,342,004,266	3,366,648,792	3,352,977,907	3,383,113,936

1 The weighted average number of shares was after considering the effect of treasury shares.

Since the Group operated net losses during the year ended 31 December 2023, 2024 and 2025 and three months ended 31 March 2025 and 2026, the incentive shares under share award scheme had an anti-dilutive effect on the basic loss per share amounts for those years and were excluded in the calculation of the diluted loss per share amounts.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023, net of accumulated depreciation	2,195,927	73,024	12,209	95,077	28,612	154,801	2,559,650
Additions	–	5,541	1,105	34,866	9,110	186,452	237,074
Acquisition of subsidiaries *(note 44)*	–	–	167	158	–	–	325
Disposals	(1,654)	(499)	(3,012)	(1,568)	–	–	(6,733)
Transfer	8,637	–	–	–	–	(8,637)	–
Depreciation provided during the year	(66,373)	(10,005)	(3,050)	(54,504)	(16,445)	–	(150,377)
At 31 December 2023, net of accumulated depreciation	2,136,537	68,061	7,419	74,029	21,277	332,616	2,639,939
At 31 December 2023:							
Cost	2,717,739	200,330	31,439	413,629	292,192	332,616	3,987,945
Accumulated depreciation	(581,202)	(132,269)	(24,020)	(339,600)	(270,915)	–	(1,348,006)
Net carrying amount	2,136,537	68,061	7,419	74,029	21,277	332,616	2,639,939

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024, net of accumulated depreciation	2,136,537	68,061	7,419	74,029	21,277	332,616	2,639,939
Additions	172,755	72	238	22,112	14,347	190,187	399,711
Disposals	–	–	(224)	(401)	–	–	(625)
Depreciation provided during the year	(67,862)	(8,682)	(2,242)	(46,660)	(16,317)	–	(141,763)
At 31 December 2024, net of accumulated depreciation	2,241,430	59,451	5,191	49,080	19,307	522,803	2,897,262
At 31 December 2024:							
Cost	2,890,493	200,330	30,220	401,506	306,538	522,803	4,351,890
Accumulated depreciation	(649,063)	(140,879)	(25,029)	(352,426)	(287,231)	–	(1,454,628)
Net carrying amount	2,241,430	59,451	5,191	49,080	19,307	522,803	2,897,262

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025, net of accumulated depreciation	2,241,430	59,451	5,191	49,080	19,307	522,803	2,897,262
Additions	–	158	14	15,010	6,641	113,545	135,368
Disposals	(792)	–	(27)	(1,298)	–	–	(2,117)
Transfers *(note 18 and 28)*	429,440	8,236	–	15,506	–	(454,607)	(1,425)
Depreciation provided during the year	(75,471)	(8,812)	(1,885)	(28,732)	(10,579)	–	(125,479)
At 31 December 2025, net of accumulated depreciation	2,594,607	59,033	3,293	49,566	15,369	181,741	2,903,609
At 31 December 2025:							
Cost	3,315,950	208,724	29,050	398,612	313,179	181,741	4,447,256
Accumulated depreciation	(721,343)	(149,691)	(25,757)	(349,046)	(297,810)	–	(1,543,647)
Net carrying amount	2,594,607	59,033	3,293	49,566	15,369	181,741	2,903,609

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 March 2026							
At 1 January 2026, net of accumulated depreciation	2,594,607	59,033	3,293	49,566	15,369	181,741	2,903,609
Additions	–	–	–	2,894	1,342	9,103	13,339
Disposals	–	–	–	(311)	–	–	(311)
Depreciation provided during the period	(20,134)	(2,255)	(415)	(6,088)	(1,991)	–	(30,883)
At 31 March 2026, net of accumulated depreciation	2,574,473	56,778	2,878	46,061	14,720	190,844	2,885,754
At 31 March 2026:							
Cost	3,315,950	208,724	29,050	400,197	314,521	190,844	4,459,286
Accumulated depreciation	(741,477)	(151,946)	(26,172)	(354,136)	(299,801)	–	(1,573,532)
Net carrying amount	2,574,473	56,778	2,878	46,061	14,720	190,844	2,885,754

As at the end of 2023, 2024 and 2025, the management has conducted impairment test of the relevant CGUs where an indication of impairment existed, no impairment was recognised.

As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of the relevant CGUs may have occurred during the three months ended March 31, 2026. Therefore, the management did not make a formal estimate of the recoverable amounts of the CGUs as at March 31, 2026.

The Company

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023, net of accumulated depreciation	1,417,180	33,969	6,830	59,553	9,263	–	1,526,795
Additions	2,664	5,411	30	24,985	2,527	3,060	38,677
Disposals	–	(499)	(2,123)	(834)	–	–	(3,456)
Transfer	3,060	–	–	–	–	(3,060)	–
Depreciation provided during the year	(43,711)	(7,944)	(1,711)	(35,429)	(5,012)	–	(93,807)
At 31 December 2023, net of accumulated depreciation	1,379,193	30,937	3,026	48,275	6,778	–	1,468,209
At 31 December 2023:							
Cost	1,826,451	134,777	14,072	284,447	11,795	–	2,271,542
Accumulated depreciation	(447,258)	(103,840)	(11,046)	(236,172)	(5,017)	–	(803,333)
Net carrying amount	1,379,193	30,937	3,026	48,275	6,778	–	1,468,209

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024, net of accumulated depreciation	1,379,193	30,937	3,026	48,275	6,778	1,468,209
Additions	–	72	222	8,166	3,905	12,365
Disposals	–	–	(209)	99	–	(110)
Depreciation provided during the year	(44,008)	(7,524)	(1,086)	(33,327)	(4,206)	(90,151)
At 31 December 2024, net of accumulated depreciation	1,335,185	23,485	1,953	23,213	6,477	1,390,313
At 31 December 2024:						
Cost	1,826,451	134,850	13,313	269,025	10,688	2,254,327
Accumulated depreciation	(491,266)	(111,365)	(11,360)	(245,812)	(4,211)	(864,014)
Net carrying amount	1,335,185	23,485	1,953	23,213	6,477	1,390,313

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025						
At 1 January 2025, net of accumulated depreciation	1,335,185	23,485	1,953	23,213	6,477	1,390,313
Additions	–	–	–	8,743	3,683	12,426
Disposals	–	–	–	(843)	–	(843)
Transfer *(note 28)*	(974)	–	–	–	–	(974)
Depreciation provided during the year	(43,960)	(7,504)	(810)	(15,632)	(3,512)	(71,418)
At 31 December 2025, net of accumulated depreciation	1,290,251	15,981	1,143	15,481	6,648	1,329,504
At 31 December 2025:						
Cost	1,822,287	134,850	13,313	259,302	10,165	2,239,917
Accumulated depreciation	(532,036)	(118,869)	(12,170)	(243,821)	(3,517)	(910,413)
Net carrying amount	1,290,251	15,981	1,143	15,481	6,648	1,329,504

	Buildings	Machinery	Vehicles	Electronic and other equipments	Improvements and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 March 2026						
At 1 January 2026, net of accumulated depreciation	1,290,251	15,981	1,143	15,481	6,648	1,329,504
Additions	–	–	–	2,064	742	2,806
Disposals	–	–	–	(21)	–	(21)
Depreciation provided during the period	(10,971)	(1,694)	(176)	(3,313)	(582)	(16,736)
At 31 March 2026, net of accumulated depreciation	1,279,280	14,287	967	14,211	6,808	1,315,553
At 31 March 2026:						
Cost	1,822,287	134,850	13,313	261,168	10,907	2,242,525
Accumulated depreciation	(543,007)	(120,563)	(12,346)	(246,957)	(4,099)	(926,972)
Net carrying amount	1,279,280	14,287	967	14,211	6,808	1,315,553

As at the end of 2023, 2024 and 2025, the management has conducted impairment test of the relevant CGUs where an indication of impairment existed, no impairment was recognised.

As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of the relevant CGUs may have occurred during the three months ended March 31, 2026. Therefore, the management did not make a formal estimate of the recoverable amounts of the CGUs as at March 31, 2026.

16. LEASES

The Group

The Group as a lessee

The Group has lease contracts for various items of leasehold land, office buildings and vehicles used in its operations. Leasehold land generally has lease terms of 50 years. Leases of office buildings generally have lease terms between 2 and 6 years. Vehicles have lease terms of 2 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements as at the end of the Relevant Period are as follows:

	Leasehold land	Office buildings	Vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	261,613	136,391	71	398,075
Additions	186	70,333	–	70,519
Depreciation charge	(7,589)	(81,516)	(71)	(89,176)
Disposal or retirement and others	–	(8,132)	–	(8,132)
As at 31 December 2023	254,210	117,076	–	371,286
As at 1 January 2024	254,210	117,076	–	371,286
Additions	–	84,643	–	84,643
Depreciation charge	(7,500)	(75,339)	–	(82,839)
Disposal or retirement and others	–	(22,326)	–	(22,326)
As at 31 December 2024	246,710	104,054	–	350,764
As at 1 January 2025	246,710	104,054	–	350,764
Additions	–	82,964	–	82,964
Depreciation charge	(7,500)	(59,826)	–	(67,326)
Disposal or retirement and others	–	(22,882)	–	(22,882)
As at 31 December 2025	239,210	104,310	–	343,520
As at 1 January 2026	239,210	104,310	–	343,520
Additions	–	12,842	–	12,842
Depreciation charge	(1,876)	(13,802)	–	(15,678)
Disposal or retirement and others	–	(2,508)	–	(2,508)
As at 31 March 2026	237,334	100,842	–	338,176

As at the end of 2023, 2024 and 2025, the management has conducted impairment test of the relevant CGUs where an indication of impairment existed, no impairment was recognised.

As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of the relevant CGUs may have occurred during the three months ended March 31, 2026. Therefore, the management did not make a formal estimate of the recoverable amounts of the CGUs as at March 31, 2026.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements as at the end of Relevant Periods are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year/period	136,773	118,297	102,723	106,105
New leases	70,333	84,643	82,964	12,842
Disposal or retirement and others	(15,731)	(30,954)	(22,529)	(2,845)
Accretion of interest recognised during the year/period	7,753	4,487	4,077	1,106
Payments	(80,831)	(73,750)	(61,130)	(10,920)
Carrying amount at end of year/period	118,297	102,723	106,105	106,288
Analysed into:				
Current portion	64,096	51,887	48,688	52,328
Non-current portion	54,201	50,836	57,417	53,960

The maturity analysis of lease liabilities is disclosed in note 50 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on lease liabilities	7,753	4,487	4,077	1,081	1,106
Depreciation charge of right-of-use assets	89,176	82,839	67,326	17,922	15,678
Expense relating to short-term leases (included in administrative expenses, sales and marketing expenses, research and development cost and cost of sales)	20,977	22,980	36,688	8,167	7,894
Expense relating to leases of low-value assets (included in administrative expenses, sales and marketing expenses, research and development cost and cost of sales)	1,586	603	559	158	172
Total amount recognised in profit or loss	119,492	110,909	108,650	27,328	24,850

(d) Total cash outflows for leases

The total cash outflow for leases (VAT included) included in the consolidated statement of cash flows are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	20,431	19,282	36,787	8,534	7,553
Within financing activities	84,785	78,200	63,909	14,916	11,440
Total	105,216	97,482	100,696	23,450	18,993

The Group as a lessor

The Group leases its property, plant and equipment in Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits according to the then prevailing market conditions. Rental income recognised by the Group during the Related Periods and three months ended 31 March 2025 are RMB212,867,000, RMB196,597,000, RMB185,174,000, RMB48,634,000 and RMB44,068,000 respectively.

As at the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	197,216	197,387	196,352	193,072
1 year to 2 years	146,640	135,647	124,726	125,204
2 years to 3 years	97,838	74,057	75,016	68,691
3 years to 4 years	53,170	47,446	55,375	52,004
4 years to 5 years	33,876	34,868	43,927	40,275
Over 5 years	111,292	96,479	70,884	68,226
Total	640,032	585,884	566,280	547,472

The Company

The Company as a lessee

The Company has lease contracts for various items of leasehold land, office buildings and vehicles used in its operations. Leasehold land generally has lease terms of 50 years. Leases of office buildings generally have lease terms between 2 and 6 years. Generally, the Company is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold land	Office buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	201,852	45,436	247,288
Additions	–	46,006	46,006
Depreciation charge	(5,973)	(31,612)	(37,585)
Disposal or retirement and others	–	(2,749)	(2,749)
As at 31 December 2023	195,879	57,081	252,960
As at 1 January 2024	195,879	57,081	252,960
Additions	–	24,960	24,960
Depreciation charge	(5,973)	(33,615)	(39,588)
Disposal or retirement and others	–	(11,294)	(11,294)
As at 31 December 2024	189,906	37,132	227,038
As at 1 January 2025	189,906	37,132	227,038
Additions	–	36,605	36,605
Depreciation charge	(5,973)	(24,372)	(30,345)
Disposal or retirement and others	–	(12,349)	(12,349)
As at 31 December 2025	183,933	37,016	220,949
As at 1 January 2026	183,933	37,016	220,949
Additions	–	3,049	3,049
Depreciation charge	(1,493)	(5,517)	(7,010)
Disposal or retirement and others	–	(818)	(818)
As at 31 March 2026	182,440	33,730	216,170

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at beginning of the year/period	41,688	54,894	34,729	37,751
New leases	46,006	24,960	36,605	3,049
Disposal or retirement and others	(3,468)	(15,044)	(11,221)	(818)
Accretion of interest recognised during the year/period	2,162	2,102	1,603	362
Payments	(31,494)	(32,183)	(23,965)	(4,030)
Carrying amount at end of year/period	54,894	34,729	37,751	36,314
Analysed into:				
Current portion	28,549	17,563	20,960	22,156
Non-current portion	26,345	17,166	16,791	14,158

The Company as a lessor

The Company leases its property, plant and equipment in Chinese mainland under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Company in future periods under the operating leases with its tenants are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	152,276	158,427	168,465	181,964
1 year to 2 years	123,497	119,890	109,733	110,767
2 years to 3 years	88,104	70,305	70,153	64,995
3 years to 4 years	52,194	45,912	53,916	50,585
4 years to 5 years	33,524	33,599	42,708	39,074
Over 5 years	111,284	89,898	65,473	63,137
Total	560,879	518,031	510,448	510,522

17. GOODWILL

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at beginning of the year/period	1,551,428	1,674,662	1,518,843	1,495,926
Acquisition of subsidiaries *(note 44)*	123,234	–	–	–
Impairment during the year/period	–	(155,819)	(22,917)	–
At end of year/period	1,674,662	1,518,843	1,495,926	1,495,926

Impairment testing of goodwill

Goodwill acquired through business combinations, net of impairment, is allocated to the following cash-generating units for impairment testing:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Yonyou Auto[1]	378,396	378,396	378,396	378,396
Yonyou Government Affairs and its subsidiaries[2]	325,782	169,963	169,963	234,891
Dayee Cloud[3]	290,282	290,282	290,282	290,282
Pomelo (Beijing) Mobile Technology Co., Ltd.[4]	203,255	203,255	203,255	203,255
Beijing Dianju Information Technology Co., Ltd.[5]	173,130	173,130	150,213	150,213
Siku Digital Technology (Qingdao) Co., Ltd.[6]	73,970	73,970	73,970	73,970
Beijing Digital Key Analysis Cloud Technology Co., Ltd.[7]	66,569	66,569	66,569	66,569
Beijing Yonyou Zhenghe Digital Technology Co., Ltd.[8]	64,928	64,928	64,928	–
Beijing Hongya Huayu Technology Co., Ltd.[9]	49,264	49,264	49,264	49,264
Others	49,086	49,086	49,086	49,086
Total	1,674,662	1,518,843	1,495,926	1,495,926

1 In 2010, the Company acquired the 100% equity interest in Yonyou Auto (formerly Shanghai Infosys Information Technology Co., Ltd.), resulting in goodwill of RMB378,396,000. The Company allocated the goodwill to the main asset group of Yonyou Auto. The recoverable amount of Yonyou Auto has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 17.09%, 16.32%, 14.33%, respectively. The growth rates used to extrapolate the cash flows of Yonyou Auto beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2% respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

2 The Company acquired Yonyou Government Affairs in 2003 and the 100% equity interest in Beijing Founder Chunyuan Technology Development Co., Ltd. in 2008. In 2010, the Company consolidated the two subsidiaries. After that, Yonyou Government Affairs acquired a number of related businesses and achieved unified business management, department setup, personnel allocation and financial management. The total goodwill is RMB325,782,000, and the Company allocated the goodwill to the main asset group of Yonyou Government Affairs. The recoverable amount of Yonyou Government Affairs has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.51%, 17.02%, 14.90%, respectively. The growth rate used to extrapolate the cash flows of Yonyou Government Affairs beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. The carrying amount of Yonyou Government Affairs was impaired by RMB155,819,000 during the year ended 31 December 2024. Consequently, the carrying amount of goodwill was written down by RMB155,819,000. The impairment loss recognised was included in "other expenses" in the consolidated statement of profit or loss. As at March 31, 2026,

the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill after merged the CGU of Beijing Yonyou Zhenghe Digital Technology Co., Ltd. may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

3 The Company acquired the 84.70% equity interest in Dayee Cloud in 2021, resulting in goodwill of RMB290,282,000. The recoverable amount of Dayee Cloud has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 15.92%, 14.96%, 13.81%, respectively. The growth rates used to extrapolate the cash flows of Dayee Cloud beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

4 The Company acquired the 100% equity interest in Pomelo (Beijing) Mobile Technology Co., Ltd. in 2021, resulting in goodwill of RMB203,255,000. The recoverable amount of Pomelo (Beijing) Mobile Technology Co., Ltd. has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.44%, 14.39%, 13.38%, respectively. The growth rates used to extrapolate the cash flows of Pomelo (Beijing) Mobile Technology Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

5 The Company acquired the 67% equity interest in Beijing Dianju Information Technology Co., Ltd. in 2022, resulting in goodwill of RMB173,130,000. The recoverable amount of Beijing Dianju Information Technology Co., Ltd. has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.23%, 14.80%, 13.58%, respectively. The growth rates used to extrapolate the cash flows of Beijing Dianju Information Technology Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. The carrying amount of Beijing Dianju was impaired by RMB22,917,000 during the year ended 31 December 2025. Consequently, the carrying amount of goodwill was written down by RMB22,917,000. The impairment loss recognised was included in "other expenses" in the consolidated statement of profit or loss. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

6 The Company acquired the 100% equity interest in Siku Digital Technology (Qingdao) Co., Ltd. in 2023, resulting in goodwill of RMB73,970,000. The recoverable amount of Siku Digital Technology (Qingdao) Co., Ltd has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.01%, 15.29%, 13.78%, respectively. The growth rates used to extrapolate the cash flows of Siku Digital Technology (Qingdao) Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

7 The Company acquired the 100% equity interest in Beijing Digital Key Analysis Cloud Technology Co., Ltd. in 2022, resulting in goodwill of RMB66,569,000. The recoverable amount of Beijing Digital Key Analysis Cloud Technology Co., Ltd has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.01%, 14.71%, 14.47%, respectively. The growth rates used to extrapolate the cash flows of Beijing Digital Key Analysis Cloud Technology Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

8 In 2021, the subsidiary of the Company acquired the 100% equity of Beijing Fushen Xietong Technology Co., Ltd., resulting in goodwill of RMB64,928,000. In 2022, Beijing Fushen Xietong Technology Co., Ltd. was renamed as "Beijing Yonyou Zhenghe Digital Technology Co., Ltd". The recoverable amount of Beijing Yonyou Zhenghe Digital Technology Co., Ltd has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.86%, 16.19%, 13.26%, respectively. The growth rates used to extrapolate the cash flows of Beijing Yonyou Zhenghe Digital Technology Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, following the restructuring of the Beijing Yonyou Zhenghe Digital Technology Co., Ltd. organizational structure, business integration, and resource integration, there is a high degree of synergy with Yonyou Government Affairs. Therefore the management merged the CGU of Beijing Yonyou Zhenghe Digital Technology Co., Ltd. into the CGU of Yonyou Government Affairs and its subsidiaries.

9 In 2023, the subsidiary of the Company acquired the 100% equity interest in Beijing Hongya Huayu Technology Co., Ltd., resulting in goodwill of RMB49,264,000. The recoverable amount of Beijing Hongya Huayu Technology Co., Ltd. has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2023, 2024, 2025 were 16.65%, 15.51%, 13.53%, respectively. The growth rates used to extrapolate the cash flows of Beijing Hongya Huayu Technology Co., Ltd. beyond the five-year period in 2023, 2024, 2025 were 3%, 2%, 2%, respectively. In the opinion of the directors, there was no impairment required as at December 31, 2023, 2024 and 2025. As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of goodwill may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGU as at March 31, 2026.

Assumptions were used in the value in use calculation of the cash-generating units ("CGUs") during the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved during the Relevant Periods, increased for expected efficiency improvements and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development of the CGU and discount rates are consistent with external information sources.

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at beginning of the year/period	17,100	17,100	157,639	157,639
Others[1]	–	140,539	–	–
At end of year/period	17,100	157,639	157,639	157,639

1 In 2024, Siku Digital Technology (Qingdao) Co., Ltd. and Beijing Digital Key Analysis Cloud Technology Co., Ltd. were deregistered. These CGUs were essentially related to business lines to the Company, and their goodwill was reallocated to the Company's separate financial statements.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Siku Digital Technology (Qingdao) Co., Ltd.[6]	–	73,970	73,970	73,970
Beijing Digital Key Analysis Cloud Technology Co., Ltd.[7]	–	66,569	66,569	66,569
Others	17,100	17,100	17,100	17,100
Total	17,100	157,639	157,639	157,639

Sensitivity analysis

The management has conducted a sensitivity analysis by reducing the expected gross profit margin by 1% during the forecast periods or increasing the pre-tax discount rate by 2%. All other assumptions have remained constant. Except for the CGU of Yonyou Government Affairs and its subsidiaries in 2024, other CGUs would not result in the carrying amount exceeding their recoverable amount due to a reasonably possible change in key parameters during Relevant Periods.

Details of the headroom measured by the excess of the recoverable amount over the carrying amount of the CGU (including goodwill and long-term assets), are as follows:

1 Yonyou Auto:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	386,029	388,756	383,052
Change in expected gross profit margin	417,203	181,922	61,841
Change in the pre-tax discount rate	417,392	186,002	65,014

2 Yonyou Government Affairs and its subsidiaries:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	379,717	222,796	208,996
Change in expected gross profit margin	103,637	(20,136)	109,404
Change in the pre-tax discount rate	123,288	(6,057)	131,115

3 Dayee Cloud:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	434,199	389,768	349,311
Change in expected gross profit margin	190,644	103,899	91,391
Change in the pre-tax discount rate	186,771	101,717	87,719

4 Pomelo (Beijing) Mobile Technology Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	223,006	215,878	208,747
Change in expected gross profit margin	53,156	37,247	15,084
Change in the pre-tax discount rate	50,639	35,401	14,020

5 Beijing Dianju Information Technology Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	317,614	301,645	246,543
Change in expected gross profit margin	103,540	67,103	(6,043)
Change in the pre-tax discount rate	103,149	66,994	(5,809)

6 Siku Digital Technology (Qingdao) Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	81,078	79,488	77,948
Change in expected gross profit margin	6,144	13,045	16,322
Change in the pre-tax discount rate	10,641	14,776	17,643

7 Beijing Digital Key Analysis Cloud Technology Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	71,729	70,289	68,849
Change in expected gross profit margin	78,502	30,730	103,694
Change in the pre-tax discount rate	78,182	28,613	103,343

8 Beijing Yonyou Zhenghe Digital Technology Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	90,190	83,192	76,792
Change in expected gross margin	18,764	16,332	12,702
Change in the pre-tax discount rate	17,646	15,408	11,595

9 Beijing Hongya Huayu Technology Co., Ltd.

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount	78,372	74,731	70,846
Change in expected gross profit margin	17,591	22,190	12,754
Change in the pre-tax discount rate	19,019	22,260	12,327

18. OTHER INTANGIBLE ASSETS

The Group

	Software copyrights	Deferred development costs	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,385,082	85,343	191,646	2,662,071
Additions	7,750	1,610,305	191	1,618,246
Acquisition of subsidiaries *(note 44)*	13,900	–	25,800	39,700
Amortisation	(642,399)	–	(59,697)	(702,096)
Transfer	1,695,648	(1,695,648)	–	–
At 31 December 2023	3,459,981	–	157,940	3,617,921
At 31 December 2023:				
Cost	5,394,670	–	485,329	5,879,999
Accumulated amortisation	(1,923,910)	–	(327,389)	(2,251,299)
Accumulated impairment[1]	(10,779)	–	–	(10,779)
Net carrying amount	3,459,981	–	157,940	3,617,921

1 The write-off amount of other intangible asset impairment provision in 2023 was RMB1,550,000.

	Software copyrights	Deferred development costs	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	3,459,981	–	157,940	3,617,921
Additions	2,519	1,432,074	–	1,434,593
Amortisation	(933,176)	–	(54,986)	(988,162)
Disposal	(18)	–	–	(18)
Transfer	1,413,931	(1,413,931)	–	–
At 31 December 2024	3,943,237	18,143	102,954	4,064,334
At 31 December 2024:				
Cost	6,810,966	18,143	485,330	7,314,439
Accumulated amortisation	(2,856,950)	–	(382,376)	(3,239,326)
Accumulated impairment	(10,779)	–	–	(10,779)
Net carrying amount	3,943,237	18,143	102,954	4,064,334

	Software copyrights	Deferred development costs	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	3,943,237	18,143	102,954	4,064,334
Additions	4,722	1,202,253	–	1,206,975
Transfers *(note 15)*	1,220,847	(1,220,396)	–	451
Amortisation	(1,177,882)	–	(54,226)	(1,232,108)
At 31 December 2025	3,990,924	–	48,728	4,039,652
At 31 December 2025:				
Cost	8,016,535	–	485,327	8,501,862
Accumulated amortisation	(4,014,832)	–	(436,599)	(4,451,431)
Accumulated impairment	(10,779)	–	–	(10,779)
Net carrying amount	3,990,924	–	48,728	4,039,652

	Software copyrights	Deferred development costs	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	3,990,924	–	48,728	4,039,652
Additions	–	264,217	189	264,406
Amortisation	(339,344)	–	(6,076)	(345,420)
At 31 March 2026	3,651,580	264,217	42,841	3,958,638
At 31 March 2026:				
Cost	8,016,535	264,217	485,516	8,766,268
Accumulated amortisation	(4,354,176)	–	(442,675)	(4,796,851)
Accumulated impairment	(10,779)	–	–	(10,779)
Net carrying amount	3,651,580	264,217	42,841	3,958,638

The Group capitalised research and development expenditure of approximately RMB1,610,305,000, RMB1,432,074,000, RMB1,202,253,000 and RMB264,217,000 during the Relevant Periods, respectively.

Impairment testing of deferred development costs

The carrying amounts of each of the categories of deferred development costs as at the end of each of the Relevant Periods are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Project Yi Bao Shui[1]	–	18,143	–	–
YonBIP 2026[2]	–	–	–	264,217
Total	–	18,143	–	264,217

1 Project Yi Bao Shui addresses the market demands within accounting scenarios. By using artificial intelligence to replace accounting functions, it will complete the entire bookkeeping and tax reporting process through algorithms. The recoverable amount of Project Yi Bao Shui has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections in 2024 was 15.50%. In the opinion of the directors, there was no impairment required as at 31 December 2024.

Assumptions were used in the value in use calculation of the capitalised research and development expenditures during the Relevant Periods. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved during the Relevant Periods, increased for expected efficiency improvements and expected market development.

Discount rate — The discount rate used are before tax and reflect specific risks relating to the relevant units.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of each capitalized research and development expenditures to exceed its recoverable amount.

2 As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of deferred development costs may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGUs as at March 31, 2026.

Sensitivity analysis

The management has conducted a sensitivity analysis by reducing the expected gross margin by 1% during the forecast periods or increasing the pre-tax discount rate by 2%. All other assumptions have remained constant. Details of the headroom measured by the excess of the recoverable amount over the carrying amount, are as follows:

1 Project Yi Bao Shui:

	31 December 2024
	RMB'000
The impact of a reduction in expected gross margin	11,356
The impact of an increase in the pre-tax discount rate	8,154

As at the end of 2023, 2024 and 2025, the management has conducted impairment test of the relevant CGUs where an indication of impairment existed, no impairment was recognised.

As at March 31, 2026, the management has considered and assessed all available internal and external sources of information and has not identified any indications that an impairment loss of the relevant CGUs may have occurred during the three months ended March 31, 2026. Therefore the management did not make a formal estimate of the recoverable amounts of the CGUs as at March 31, 2026.

The Company

	Software copyrights	Deferred development costs	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	2,235,641	–	2,235,641
Additions	7,350	1,564,422	1,571,772
Amortisation	(583,087)	–	(583,087)
Transfer	1,564,422	(1,564,422)	–
At 31 December 2023	3,224,326	–	3,224,326
At 31 December 2023:			
Cost	4,788,692	–	4,788,692
Accumulated amortisation	(1,557,187)	–	(1,557,187)
Accumulated impairment	(7,179)	–	(7,179)
Net carrying amount	3,224,326	–	3,224,326

	Software copyrights	Deferred development costs	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	3,224,326	–	3,224,326
Additions	2,250	1,413,931	1,416,181
Amortisation	(864,027)	–	(864,027)
Disposal	(18)	–	(18)
Transfer	1,413,931	(1,413,931)	–
At 31 December 2024	3,776,462	–	3,776,462
At 31 December 2024:			
Cost	6,175,923	–	6,175,923
Accumulated amortisation	(2,392,282)	–	(2,392,282)
Accumulated impairment	(7,179)	–	(7,179)
Net carrying amount	3,776,462	–	3,776,462

	Software copyrights	Deferred development costs	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	3,776,462	–	3,776,462
Additions	4,704	1,190,550	1,195,254
Amortisation	(1,116,827)	–	(1,116,827)
Transfer	1,190,550	(1,190,550)	–
At 31 December 2025	3,854,889	–	3,854,889
At 31 December 2025			
Cost	7,414,915	–	7,414,915
Accumulated amortisation	(3,552,847)	–	(3,552,847)
Accumulated impairment	(7,179)	–	(7,179)
Net carrying amount	3,854,889	–	3,854,889

	Software copyrights	Deferred development costs	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2026	3,854,889	–	3,854,889
Additions	–	264,217	264,217
Amortisation	(319,309)	–	(319,309)
At 31 March 2026	3,535,580	264,217	3,799,797
At 31 March 2026			
Cost	7,414,915	264,217	7,679,132
Accumulated amortisation	(3,872,156)	–	(3,872,156)
Accumulated impairment	(7,179)	–	(7,179)
Net carrying amount	3,535,580	264,217	3,799,797

The Company capitalised research and development expenditure of approximately RMB1,564,422,000, RMB1,413,931,000, RMB1,190,550,000 and RMB264,217,000 during the Relevant Periods, respectively.

The impairment testing of the Company was disclosed in the Group's impairment testing of other intangible assets.

19. INVESTMENT IN A JOINT VENTURE

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	–	9,878	8,310	–
Addition	10,000	–	–	–
Disposal	–	(696)	–	–
Share of loss	(122)	(872)	–	–
Impairment provision for the year/period	–	–	(8,310)	–
At end of year/period	9,878	8,310	–	–

The following table illustrates the financial information of the Group's joint venture:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the joint venture's loss for the year/period	(122)	(872)	–	–
Carrying amount of the Group's investment in the joint venture	9,878	8,310	–	–

The joint venture of the Group is held through a subsidiary of the Company.

20. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

(a) Investments in associates

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	2,735,273	2,823,020	2,810,354	2,727,161
Additions	114,986	54,280	6,000	–
Disposals	(72,961)	(33,234)	(72,429)	–
Share of profits, net	56,923	39,109	58,400	(14,479)
Impairment provision for the year/period	(7,658)	(68,209)	(61,602)	–
Dividend distribution	(3,706)	(9,453)	(10,839)	–
Share of other comprehensive income/(loss) of associates	341	2,033	(2,490)	89
Others	(178)	2,808	(233)	–
At end of year/period	2,823,020	2,810,354	2,727,161	2,712,771

The Group's trade receivable and payable balances with the associates are disclosed in note 47 to the Historical Financial Information, respectively.

Particulars of the material associate is as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group				Principal activity
			31 December 2023	31 December 2024	31 December 2025	31 March 2026	
Beijing Zhongguancun Bank Co., Ltd. .	Ordinary shares	Beijing, Chinese mainland	29.80	29.80	29.80	29.80	Banking

The above investment is directly held by the Company.

Beijing Zhongguancun Bank Co., Ltd., which is considered a material associate of the Group is accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Beijing Zhongguancun Bank Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the Historical Financial Information:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	72,708,772	74,938,856	77,920,242	75,942,823
Total liabilities	(67,259,703)	(69,236,825)	(72,023,647)	(70,071,680)
Equity attributable to ordinary equity holders of the parent	5,449,069	5,702,031	5,896,595	5,871,143
Reconciliation to the Group's interest in the associate:				
Proportion of the Group's ownership	29.80%	29.80%	29.80%	29.80%
Group's share of net assets of the associate	1,623,823	1,699,205	1,757,185	1,749,601
Others	(1,953)	(2,324)	(2,325)	(2,325)
Carrying amount of the investment .	1,621,870	1,696,881	1,754,860	1,747,276
Revenue	1,842,789	1,817,699	2,067,525	642,878
Income tax	42,316	12,663	22,479	(8,583)
Profit/(loss) for the year/period	310,101	275,371	231,261	(25,749)
Other comprehensive income/(loss) .	1,145	6,808	(8,419)	297
Total comprehensive income for the year/period	311,246	282,179	222,842	(25,452)
Dividend received	–	8,940	8,195	–

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' loss for the year/period	(35,487)	(42,952)	(10,516)	(6,806)
Share of the associates' other comprehensive income	–	4	19	–
Share of the associates' total comprehensive loss	(35,487)	(42,948)	(10,497)	(6,806)
Aggregate carrying amount of the Group's investments in the associates	1,201,150	1,113,473	972,301	965,495

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	1,988,623	2,074,119	2,107,365	2,143,653
Additions	20,140	15,000	–	–
Disposals	(13,456)	–	–	–
Share of profits, net	82,177	50,224	52,867	(17,446)
Impairment provision for the year/period	–	(24,572)	–	–
Dividend distribution	(3,706)	(9,435)	(14,089)	–
Share of other comprehensive income/(losses) of associates	341	2,029	(2,490)	89
At end of year/period	2,074,119	2,107,365	2,143,653	2,126,296

Particulars of the material associate are same as that of the Group.

(b) Investments in subsidiaries

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments, at cost	5,399,556	5,224,637	4,957,138	4,957,138
Less: Impairment	412,472	724,692	497,612	497,612
Net carrying amount	4,987,084	4,499,945	4,459,526	4,459,526

Particulars of the Company's principal subsidiaries are included in note 1 to the Historical Financial Information.

21. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity investments, at fair value	30,000	29,330	36,144	36,144

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

22. INVENTORIES

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Work in progress	551,041	412,441	367,120	378,834
Purchased software	18,943	19,128	25,191	30,049
Raw materials	2,592	1,953	1,557	1,538

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Subtotal	572,576	433,522	393,868	410,421
Impairment allowance				
Work in progress	(10,416)	(12,636)	(4,557)	(5,281)
Purchased software	(10,208)	(10,010)	(10,010)	(10,010)
Raw materials	(369)	–	–	–
Subtotal	(20,993)	(22,646)	(14,567)	(15,291)
Total	551,583	410,876	379,301	395,130

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Work in progress	244,814	153,860	196,239	194,085
Purchased software	6,860	6,115	9,511	8,950
Raw materials	519	510	157	157
Subtotal	252,193	160,485	205,907	203,192
Impairment allowance				
Purchased software	(4,701)	(4,701)	(4,701)	(4,701)
Subtotal	(4,701)	(4,701)	(4,701)	(4,701)
Total	247,492	155,784	201,206	198,491

23. CONTRACT ASSETS

The Group

The Group provides implementation and development services to customers, resulting in contract assets. Such contract assets are reclassified to trade receivables when the Group obtains an unconditional right to receive consideration from customers.

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from:				
Implementation and development services	1,030,202	1,067,235	1,268,996	1,348,044
Impairment allowance	(148,657)	(202,373)	(309,323)	(322,129)
Net carrying amount	881,545	864,862	959,673	1,025,915

During the Relevant Periods, RMB53,080,000, RMB53,716,000, RMB106,950,000 and RMB12,806,000 were recognised as allowances for expected credit losses on contract assets.

The expected timing of recovery or settlement for contract assets was subject to the specific contract terms and the progress of the performance obligations.

The movements in the loss allowance for impairment of contract assets are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	95,577	148,657	202,373	309,323
Impairment losses, net	53,080	53,716	106,950	12,806
At end of year/period	148,657	202,373	309,323	322,129

The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the groupings of various customer segments with similar loss patterns (i.e., by service type, customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at 31 December 2024, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB15,298,000 with a carrying amount before provision of RMB19,210,000.

As at 31 December 2025, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB12,485,000 with a carrying amount before provision of RMB16,397,000.

As at 31 March 2026, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB12,485,000 with a carrying amount before provision of RMB16,397,000.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
Expected credit loss rate	14.43%	17.85%	23.70%	23.25%
Gross carrying amount (RMB'000)	1,030,202	1,048,025	1,252,599	1,331,647
Expected credit losses (RMB'000)	148,657	187,075	296,838	309,644

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from:				
Implementation and development services	673,884	734,454	935,365	993,388
Impairment allowance	(111,320)	(155,276)	(250,029)	(257,272)
Net carrying amount	562,564	579,178	685,336	736,116

As at 31 December 2023, 2024, 2025 and 31 March 2026 included in the Company's contract assets were amounts arising from the Company's subsidiaries of RMB4,058,000, RMB3,692,000, RMB3,080,000 and RMB3,021,000, respectively, and included in the Company's contract assets is amounts arising from the Company's related parties of Nil, RMB76,000, RMB215,000 and RMB328,000, respectively.

The movements in the loss allowance for impairment of contract assets are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	67,592	111,320	155,276	250,029
Impairment losses, net	43,728	43,956	94,753	7,243
At end of year/period	111,320	155,276	250,029	257,272

As at 31 December 2024, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB12,768,000 with a carrying amount before provision of RMB16,681,000.

As at 31 December 2025, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB10,364,000 with a carrying amount before provision of RMB14,276,000.

As at 31 March 2026, included in the above provision for impairment of contract assets was a provision for individually impaired contract assets of RMB10,364,000 with a carrying amount before provision of RMB14,276,000.

Set out below is the information about the credit risk exposure on the Company's contract assets using a provision matrix:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
Expected credit loss rate	16.52%	19.85%	26.02%	25.22%
Gross carrying amount (RMB'000)	673,884	717,773	921,089	979,112
Expected credit losses (RMB'000)	111,320	142,508	239,665	246,908

24. TRADE AND BILLS RECEIVABLES

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	3,752,773	3,512,731	3,496,945	3,476,886
Long-term receivables	1,727	1,162	5,451	5,515
	3,754,500	3,513,893	3,502,396	3,482,401
Impairment allowance	(1,093,072)	(927,927)	(1,082,233)	(1,124,163)
	2,661,428	2,585,966	2,420,163	2,358,238
Less portion: non-current long-term receivables	1,641	1,080	5,073	5,132
Current portion	2,659,787	2,584,886	2,415,090	2,353,106

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	2,277,782	2,101,240	1,949,447	1,812,847
1 year to 2 years	251,280	329,951	288,525	346,780
2 years to 3 years	83,828	96,224	121,930	135,083
3 years to 4 years	35,462	44,135	44,723	47,065
4 years to 5 years	13,076	14,416	15,538	16,463
Total	2,661,428	2,585,966	2,420,163	2,358,238

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	(937,558)	(1,093,072)	(927,927)	(1,082,233)
Impairment losses, net	(157,137)	(235,385)	(162,093)	(42,487)
Amount written off	4,201	397,587	7,008	–
Others	(2,578)	2,943	779	557
At end of year/period	(1,093,072)	(927,927)	(1,082,233)	(1,124,163)

During the Relevant Periods, the actual write-off amounts totaled RMB4,201,000, RMB397,587,000, RMB7,008,000 and Nil. The write-off amounts were primarily attributable to the non-recoverability of long-outstanding receivables. All aforementioned written off procedures have been duly approved by the relevant management authorities.

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix and specific provision for bad debts to measure expected credit losses. The provision rates are based on ageing analysis for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if they are past due for more than five years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables on an individual basis:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
Expected credit loss rate	98.05%	88.21%	89.45%	89.48%
Gross carrying amount (RMB'000)	178,532	142,768	143,336	143,761
Expected credit losses (RMB'000)	175,045	125,931	128,211	128,636

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

As at 31 December 2023

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	8.06%	29.70%	50.58%	64.94%	83.13%	100.00%	25.67%
Gross carrying amount (RMB'000)	2,476,789	353,529	169,618	101,152	77,532	397,348	3,575,968
Expected credit losses (RMB'000)	199,752	104,991	85,790	65,690	64,456	397,348	918,027

As at 31 December 2024

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	8.64%	29.20%	51.43%	66.85%	83.10%	100.00%	24.60%
Gross carrying amount (RMB'000)	2,161,017	464,446	198,102	133,136	85,277	217,996	3,259,974
Expected credit losses (RMB'000)	186,632	135,628	101,878	89,001	70,861	217,996	801,996

As at 31 December 2025

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	8.61%	31.14%	54.77%	70.91%	86.75%	100.00%	28.81%
Gross carrying amount (RMB'000)	2,080,639	398,764	267,308	153,764	117,279	293,443	3,311,197
Expected credit losses (RMB'000)	179,202	124,180	146,415	109,041	101,741	293,443	954,022

As at 31 March 2026

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	8.46%	32.16%	55.23%	71.26%	86.39%	100.00%	30.22%
Gross carrying amount (RMB'000)	1,931,429	491,027	298,640	163,780	120,931	288,029	3,293,836
Expected credit losses (RMB'000)	163,480	157,903	164,932	116,715	104,468	288,029	995,527

As at 31 December 2024, 2025 and 31 March 2026, the Group did not make provision for credit impairment loss of the bills receivables measured at FVTOCI amounting RMB111,151,000, RMB47,863,000 and RMB44,804,000, respectively, as there was no significant credit risk.

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	1,986,973	1,833,127	1,765,706	1,813,621
Impairment allowance	(619,563)	(540,243)	(634,518)	(672,264)
Net carrying amount	1,367,410	1,292,884	1,131,188	1,141,357

As at 31 December 2023, 2024, 2025 and 31 March 2026 included in the Company's trade receivables were amounts due from the Company's subsidiaries of RMB14,696,000, RMB65,110,000, RMB18,482,000 and RMB18,573,000 respectively, and included in the Company's trade receivables were amounts due from the Company's related parties of RMB779,000, RMB689,000, RMB1,111,000 and RMB1,638,000 respectively, which were repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and bills receivables as at the end of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,182,652	1,069,638	886,715	828,256
1 year to 2 years	121,552	151,323	148,174	205,782
2 years to 3 years	40,593	43,932	64,617	73,564
3 years to 4 years	16,688	21,814	23,298	24,924
4 years to 5 years	5,925	6,177	8,384	8,831
Total	1,367,410	1,292,884	1,131,188	1,141,357

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	(528,186)	(619,563)	(540,243)	(634,518)
Impairment losses, net	(89,559)	(153,553)	(94,275)	(37,746)
Amount written off	–	232,880	–	–
Others	(1,818)	(7)	–	–
At end of year/period	(619,563)	(540,243)	(634,518)	(672,264)

Set out below is the information about the credit risk exposure on the Company's trade and bills receivables on an individual basis:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
Expected credit loss rate	100.00%	88.70%	88.99%	89.03%
Gross carrying amount (RMB'000)	91,289	113,799	108,420	108,845
Expected credit losses (RMB'000)	91,289	100,943	96,478	96,903

Set out below is the information about the credit risk exposure on the Company's trade and bills receivables using a provision matrix:

As at 31 December 2023

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	9.76%	35.26%	55.25%	68.23%	85.20%	100.00%	27.87%
Gross carrying amount (RMB'000)	1,310,599	187,756	90,706	52,532	40,021	214,070	1,895,684
Expected credit losses (RMB'000)	127,947	66,204	50,113	35,844	34,096	214,070	528,274

As at 31 December 2024

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	10.45%	34.78%	56.61%	69.85%	85.20%	100.00%	26.62%
Gross carrying amount (RMB'000)	1,102,698	232,026	101,238	72,362	41,740	99,976	1,650,040
Expected credit losses (RMB'000)	115,204	80,703	57,306	50,548	35,563	99,976	439,300

As at 31 December 2025

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	10.63%	35.68%	59.14%	73.32%	88.32%	100.00%	32.83%
Gross carrying amount (RMB'000)	971,690	211,807	158,150	87,316	71,759	138,257	1,638,979
Expected credit losses (RMB'000)	103,283	75,574	93,533	64,018	63,375	138,257	538,040

As at 31 March 2026

	Ageing						
	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
On a collective basis							
Expected credit loss rate	10.72%	35.68%	59.14%	73.32%	88.32%	100.00%	34.17%
Gross carrying amount (RMB'000)	904,099	301,371	180,047	93,411	75,585	129,199	1,683,712
Expected credit losses (RMB'000)	96,907	107,531	106,483	68,487	66,754	129,199	575,361

As at 31 December 2024, 2025 and 31 March 2026, the Company did not make provision for credit impairment loss of the bills receivables measured at FVTOCI amounting RMB69,288,000, RMB18,307,000 and RMB21,064,000 as there was no significant credit risk.

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Staff advances	5,974	6,273	4,229	5,766
Share purchase fund and dividend held by the trustee for share-based payments	6,768	7,059	5,729	5,729
Prepayments	237,072	298,985	362,781	332,956
Contract costs	100,966	98,673	114,282	95,646

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits, other receivables and other assets	407,209	413,151	470,898	484,362
	757,989	824,141	957,919	924,459
Impairment allowance	(118,504)	(125,910)	(124,979)	(129,736)
	639,485	698,231	832,940	794,723
Less: non-current portion				
Share purchase fund and dividend held by the trustee for share-based payments	6,768	7,059	5,729	5,729
Prepayments	42,057	62,826	78,268	83,825
Contract costs	14,055	3,120	2,910	2,193
Other assets	43,898	5,438	6,398	6,085
	106,778	78,443	93,305	97,832
Current portion	532,707	619,788	739,635	696,891

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	(109,868)	(118,504)	(125,910)	(124,979)
Impairment losses, net	(8,307)	(7,690)	(819)	(4,817)
Amount written off	333	287	1,698	–
Others	(662)	(3)	52	60
At end of year/period	(118,504)	(125,910)	(124,979)	(129,736)

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries	2,237,450	2,766,260	2,656,435	2,959,005
Amounts due from related parties	820	1,196	1,979	2,323
Staff advances	4,997	4,478	4,666	3,375
Prepayments	56,882	64,069	53,708	48,306
Contract costs	32,190	56,871	83,647	61,672
Deposits, other receivables and other assets	184,003	172,252	238,272	228,350
	2,516,342	3,065,126	3,038,707	3,303,031
Impairment allowance	(293,485)	(251,450)	(207,507)	(209,861)
	2,222,857	2,813,676	2,831,200	3,093,170
Less: Non-current portion				
Other assets	3,127	–	–	–
Current portion	2,219,730	2,813,676	2,831,200	3,093,170

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	(313,570)	(293,485)	(251,450)	(207,507)
Impairment losses, net	(4,866)	41,757	363	(2,354)
Amount written off	24,951	278	43,580	–
At end of year/period	(293,485)	(251,450)	(207,507)	(209,861)

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity investments[1]	190,431	169,587	1,937	2,015
Unlisted investments:				
Wealth management products[2]	250,030	123,289	11,215	1,000,082
Unlisted equity investments	814,891	710,543	777,614	807,220
Derivative financial instruments	–	1,807	–	–
Contingent consideration	–	–	15,050	15,050
Subtotal	1,255,352	1,005,226	805,816	1,824,367
Less: Non-current portion				
Listed equity investments[1]	189,167	167,735	–	–
Unlisted investments:				
Unlisted equity investments	814,891	710,543	777,614	807,220
	1,004,058	878,278	777,614	807,220
Total current portion	251,294	126,948	28,202	1,017,147

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity investments[1]	190,135	168,954	1,058	1,198
Unlisted investments:				
Wealth management products[2]	16,669	12,965	9,104	9,128
Unlisted equity investments	579,313	456,353	496,271	496,271
Derivative financial instruments	–	1,807	–	–
Contingent consideration	–	–	15,050	15,050
Subtotal	786,117	640,079	521,483	521,647
Less: Non-current portion				
Listed equity investments[1]	189,167	167,735	–	–
Unlisted investments:				
Unlisted equity investments	579,313	456,353	496,271	496,271
	768,480	624,088	496,271	496,271
Total current portion	17,637	15,991	25,212	25,376

1 The listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading. The fair values of these investments were based on the quoted market price at the end of the Relevant Periods.

2 The above wealth management products issued by banks in Chinese mainland are mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

27. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	8,296,678	6,825,593	4,598,289	3,211,992
Less:				
Restricted bank deposit[1]	74,147	176,207	75,151	49,549
Non-pledged time deposits with original maturity of more than three months when acquired[2]	1,469,592	992,529	1,402,487	1,464,283
Cash and cash equivalents	6,752,939	5,656,857	3,120,651	1,698,160

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	3,142,060	1,942,757	202,259	258,217
Less:				
Restricted bank deposit[1]	26,664	164,185	37,068	31,241
Non-pledged time deposits with original maturity of more than three months when acquired[2]	840,000	–	–	–
Cash and cash equivalents	2,275,396	1,778,572	165,191	226,976

1 During the Relevant Periods, restricted bank deposits mainly included performance bonds.

2 Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

At 31 December 2023, 2024, 2025 and 31 March 2026, the cash and bank balances of the Group denominated in Renminbi ("RMB") were RMB8,028,739,000, RMB6,560,346,000, RMB4,322,479,000 and RMB2,960,863,000, respectively. The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB 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. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

28. ASSETS HELD FOR SALE

The Group and The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets classified as held for sale[1]	–	–	974	974

1 On October 24, 2025, the Company entered into an agreement to sell certain office building held by its branch, Yonyou Network Technology Co., Ltd. Shanghai Branch ("Shanghai Branch"), which were classified as assets held for sale as of December 31, 2025. The disposal costs related to these assets held for sale are not material. The Company expects to complete the disposal of these assets in September 2026.

29. TRADE PAYABLES

The Group

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	745,922	637,911	739,997	781,071
1 to 2 years	92,904	214,696	144,155	134,792
2 to 3 years	29,795	83,168	139,357	82,951
Over 3 years	137,899	167,131	226,243	224,266
Total	1,006,520	1,102,906	1,249,752	1,223,080

The trade payables are normally settled up to 60 days term.

The Company

An ageing analysis of the trade payables as at the end of the Relevant Periods, based on the invoice date, is as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	521,220	537,736	800,627	836,265
1 to 2 years	88,042	146,694	150,597	217,457
2 to 3 years	14,051	59,882	126,859	61,208
Over 3 years	71,247	80,130	118,128	105,792
Total	694,560	824,442	1,196,211	1,220,722

The trade payables are non-interest-bearing.

As at 31 December 2023, 2024, 2025 and 31 March 2026, included in the Company's trade payables were amounts due to the Company's subsidiaries of RMB200,286,000, RMB279,257,000, RMB535,865,000 and RMB547,316,000, respectively, and included in the Company's trade payables were amounts due to the Company's related parties of RMB1,624,000, RMB3,259,000, RMB4,511,000, and RMB2,274,000, respectively.

30. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Delivery of software products and provision of cloud-based services	2,806,410	3,053,454	3,417,671	3,401,238
Analysed into:				
Current portion	2,660,486	2,866,886	3,195,617	3,163,379
Non-current portion	145,924	186,568	222,054	237,859

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Delivery of software products and provision of cloud-based services	1,285,830	1,358,449	1,637,301	1,662,007
Analysed into:				
Current portion	1,285,830	1,358,449	1,637,301	1,662,007

Contract liabilities include short-term advances received to deliver software products and provide cloud-based services.

As at 31 December 2023, 2024, 2025 and 31 March 2026, included in the Company's contract liabilities were amounts due from the Company's subsidiaries of Nil, RMB10,342,000, RMB8,564,000 and 8,632,000, respectively, and included in the Company's contract liabilities were amounts due from the Company's related parties of Nil, Nil, RMB1,475,000 and RMB1,760,000, respectively.

31. OTHER PAYABLES AND ACCRUALS

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Staff payroll and welfare payables	1,353,161	1,075,682	1,037,554	537,573
Other taxes payable	263,936	253,364	252,088	111,090
Obligation related with share-based payments	796,445	585,534	204,226	198,801
Deposits from suppliers	116,400	159,411	165,220	138,026
Payable to vendors of construction	120,795	161,010	166,769	140,854
Advances from customers	14,094	11,828	38,826	35,255
Consideration payables for acquiring subsidiaries	61,211	27,545	5,199	2,598
Other borrowings[1]	–	–	201,450	1,017,940
Other payables	473,215	469,301	529,417	517,131
Total	3,199,257	2,743,675	2,600,749	2,699,268
Less: portion classified as non-current liabilities	41,546	5,274	2,598	2,598
Current portion	3,157,711	2,738,401	2,598,151	2,696,670

1 The Group's other borrowings were attributable to (i) sale and leaseback financing arrangements entered into between the Group and finance lease company in Chinese mainland in which the Group had options to repurchase the subject equipment at pre-determined fixed nominal amounts at the end of the lease terms, and they will be fully repaid in 2026 (ii) financial arrangement ,and it will be fully repaid in 2026.

The Company

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Staff payroll and welfare payables	707,800	553,416	537,666	266,093
Other taxes payable	136,561	121,187	126,963	33,877
Obligation related with share-based payments	582,498	433,273	182,009	176,585

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits from suppliers	87,713	128,638	133,278	106,230
Payable to vendors of construction	60,665	60,836	60,778	60,759
Advances from customers	1,606	1,036	26,524	23,171
Consideration payables for acquiring subsidiaries	48,071	18,512	2,598	2,598
Amounts due to subsidiaries	3,218	89,207	569	39,212
Amounts due to related parties	178	2,193	5,427	1,911
Other borrowing[1]	–	–	271,613	1,088,628
Other payables	438,038	422,369	429,209	504,051
Total	2,066,348	1,830,667	1,776,634	2,303,115
Less: portion classified as non-current liabilities	18,512	2,673	2,598	2,598
Current portion	2,047,836	1,827,994	1,774,036	2,300,517

1 The Company's other borrowings were attributable to the aforementioned sale and leaseback financing arrangements, along with a RMB70,688,000 intercompany borrowing between the Company and its subsidiary Chanjet. The annual interest rate was 3% and will be fully repaid in 2026.

32. OTHER LONG-TERM LIABILITIES

The Group

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Third-party interests in consolidated structured entities	399,598	348,909	307,745	304,843
Portion classified as current liabilities	–	82,337	130,545	129,239
Non-current portion	399,598	266,572	177,200	175,604

33. INTEREST-BEARING BANK LOANS

The Group

	31 December 2023			31 December 2024			31 December 2025			31 March 2026		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Non-current												
Bank loans – unsecured	2.75%-3.18%	2025-2028	1,791,900	2.75%-3.18%	2026-2028	1,334,000	2.95%-3.18%	2027	610,000	2.53%-3.10%	2027	10,000
Bank loans – secured	3.00%-3.20%	2025-2027	118,500	3.00%-3.20%	2026-2027	98,500	3.00%-3.20%	2027	58,500	3.00%-3.20%	2027	58,500
Total non-current			1,910,400			1,432,500			668,500			68,500
Current												
Short-term bank loans – unsecured	2.80%-3.45%	2024	3,803,000	2.50%-3.10%	2025	4,358,425	1.95%-3.40%	2026	3,588,971	1.95%-3.50%	2026-2027	3,968,771
Current portion of long-term bank loans												
– unsecured	2.75%-3.45%	2024	324,000	2.75%-3.18%	2025	1,055,900	2.95%-3.18%	2026	274,000	2.53%-3.10%	2026-2027	687,000
– secured	3.20%	2024	10,000	3.20%	2025	20,000	3.20%	2026	40,000	3.20%	2026	40,000
Total current			4,137,000			5,434,325			3,902,971			4,695,771
Total bank loans			6,047,400			6,866,825			4,571,471			4,764,271

The Group

The carrying amounts of loans are denominated in the following currencies:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	6,047,400	6,586,621	4,571,471	4,764,271
United States dollar	–	280,204	–	–
Total	6,047,400	6,866,825	4,571,471	4,764,271

An analysis of the carrying amounts of loans by the type of interest rate is as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fixed interest rate	2,323,500	2,984,825	3,404,971	3,424,271
Variable interest rate	3,723,900	3,882,000	1,166,500	1,340,000
Total	6,047,400	6,866,825	4,571,471	4,764,271

The Company

	31 December 2023			31 December 2024			31 December 2025			31 March 2026		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Non-current												
Bank loans – unsecured	2.75%-3.18%	2025-2028	1,791,900	2.75%-3.18%	2026-2028	1,334,000	2.95%-3.18%	2027	610,000	2.53%-3.10%	2027	10,000
Bank loans – secured	3.00%-3.20%	2025-2027	118,500	3.00%-3.20%	2026-2027	98,500	3.00%-3.20%	2027	58,500	3.00%-3.20%	2027	58,500
Total non-current			1,910,400			1,432,500			668,500			68,500
Current												
Short-term bank loans												
– unsecured	2.80%-3.20%	2024	3,788,000	2.50%-2.95%	2025	4,323,425	1.95%-3.40%	2026	3,549,071	1.95%-3.50%	2026-2027	3,911,571
Current portion of long-term bank loans												
– unsecured	2.75%-3.45%	2024	324,000	2.75%-3.18%	2025	1,055,900	2.95%-3.18%	2026	274,000	2.53%-3.10%	2026-2027	687,000
– secured	3.20%	2024	10,000	3.20%	2025	20,000	3.20%	2026	40,000	3.20%	2026	40,000
Total current			4,122,000			5,399,325			3,863,071			4,638,571
Total bank loans			6,032,400			6,831,825			4,531,571			4,707,071

The Company

The carrying amounts of loans are denominated in the following currencies:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	6,032,400	6,551,621	4,531,571	4,707,071
United States dollar	–	280,204	–	–
Total	6,032,400	6,831,825	4,531,571	4,707,071

An analysis of the carrying amounts of loans by the type of interest rate is as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fixed interest rate	2,308,500	2,949,825	3,365,071	3,387,071
Variable interest rate	3,723,900	3,882,000	1,166,500	1,320,000
Total	6,032,400	6,831,825	4,531,571	4,707,071

34. DEFERRED INCOME

The Group

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at beginning of the year/period	83,542	10,687	24,619	36,897
Additions	8,208	14,018	12,627	379
Decrease	81,063	86	349	–
At end of year/period	10,687	24,619	36,897	37,276

The Company

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at beginning of the year/period	81,037	1,823	5,950	7,420
Additions	1,333	4,127	1,470	379
Decrease	80,547	–	–	–
At end of year/period	1,823	5,950	7,420	7,799

35. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

The Group

Deferred tax liabilities

2023	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	43,550	21,601	62,350	127,501
Credited to profit or loss during the year *(note 12)*	(1,647)	(3,276)	(13,937)	(18,860)
Acquisition of a subsidiary *(note 44)*	6,725	–	–	6,725
At 31 December 2023	48,628	18,325	48,413	115,366

Deferred tax assets

2023	Lease liabilities	Impairment of financial and contract assets	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	21,642	8,495	71,923	65,677	167,737
Credited/(charged) to profit or loss during the year *(note 12)*	(3,193)	597	(16,734)	1,952	(17,378)
At 31 December 2023	18,449	9,092	55,189	67,629	150,359

Deferred tax liabilities

2024	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	48,628	18,325	48,413	115,366
(Credited)/charged to profit or loss during the year *(note 12)*	(17,221)	563	(14,332)	(30,990)
At 31 December 2024	31,407	18,888	34,081	84,376

Deferred tax assets

2024	Lease liabilities	Impairment of financial and contract assets	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	18,449	9,092	55,189	67,629	150,359
Credited/(charged) to profit or loss during the year *(note 12)*	267	1,513	(6,948)	21	(5,147)
Credited to other comprehensive income	–	–	–	101	101
At 31 December 2024	18,716	10,605	48,241	67,751	145,313

Deferred tax liabilities

2025	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	31,407	18,888	34,081	84,376
(Credited)/charged to profit or loss during the year *(note 12)*	(17,221)	(2,778)	8,271	(11,728)
Charged to other comprehensive income	–	–	921	921
At 31 December 2025	14,186	16,110	43,273	73,569

Deferred tax assets

2025	Lease liabilities	Impairment of financial and contract assets	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	18,716	10,605	48,241	67,751	145,313
Credited/(charged) to profit or loss during the year *(note 12)*	(2,346)	684	25,135	(12,781)	10,692
Charged to other comprehensive income	–	–	–	(101)	(101)
At 31 December 2025	16,370	11,289	73,376	54,869	155,904

Deferred tax liabilities

2026	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	14,186	16,110	43,273	73,569
(Credited)/charged to profit or loss during the period *(note 12)*	(3,463)	147	545	(2,771)
At 31 March 2026	10,723	16,257	43,818	70,798

Deferred tax assets

2026	Lease liabilities	Impairment of financial and contract assets	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	16,370	11,289	73,376	54,869	155,904
Credited/(charged) to profit or loss during the period *(note 12)*	684	(22)	6,804	(1,462)	6,004
At 31 March 2026	17,054	11,267	80,180	53,407	161,908

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	68,264	86,885	88,111	93,759
Net deferred tax liabilities recognised in the consolidated statement of financial position	33,271	25,948	5,776	2,649

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	4,359,594	6,777,307	8,729,069	9,586,737
Deductible temporary differences	2,265,778	2,720,888	3,372,782	3,581,312
	6,625,372	9,498,195	12,101,851	13,168,049

At the end of 2023, the Group has tax losses which have not been recognised of RMB818,587,000 that will expire between 2024 and 2027 for offsetting against future taxable profits, and RMB3,541,007,000 that would expire in and after 2028 for offsetting against future taxable profits.

At the end of 2024, the Group has tax losses which have not been recognised of RMB1,083,567,000 that would expire during 2025 to 2028 for offsetting against future taxable profits, and RMB5,693,740,000 that would expire in and after 2029 for offsetting against future taxable profits.

At the end of 2025, the Group has tax losses which have not been recognised of RMB1,460,268,000 that would expire during 2026 to 2029 for offsetting against future taxable profits, and RMB7,268,801,000 that would expire in and after 2030 for offsetting against future taxable profits.

At 31 March 2026, the Group has tax losses which have not been recognised of RMB1,456,892,000 that would expire during 2026 to 2029 for offsetting against future taxable profits, and RMB8,129,845,000 that would expire in and after 2030 for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Company

Deferred tax liabilities

2023	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	6,815	62,231	69,046
(Credited)/charged to profit or loss during the year	1,747	(16,808)	(15,061)
At 31 December 2023	8,562	45,423	53,985

Deferred tax assets

2023	Lease liabilities	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	6,253	48,920	19,880	75,053
Credited/(charged) to profit or loss during the year	1,981	(22,447)	4,534	(15,932)
At 31 December 2023	8,234	26,473	24,414	59,121

Deferred tax liabilities

2024	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	–	8,562	45,423	53,985
(Credited)/charged to profit or loss during the year	2,310	(2,992)	(23,466)	(24,148)
At 31 December 2024	2,310	5,570	21,957	29,837

Deferred tax assets

2024	Fair value adjustments of equity investments at fair value through other comprehensive income	Lease liabilities	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	–	8,234	26,473	24,414	59,121
Credited/(charged) to profit or loss during the year	–	(3,025)	(21,383)	(2,317)	(26,725)
Charged to other comprehensive income	101	–	–	–	101
At 31 December 2024	101	5,209	5,090	22,097	32,497

Deferred tax liabilities

2025	Fair value adjustments of equity investments at fair value through other comprehensive income	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	–	2,310	5,570	21,957	29,837
(Credited)/charged to profit or loss during the year	–	(745)	(18)	3,597	2,834
Charged to other comprehensive income	921	–	–	–	921
At 31 December 2025	921	1,565	5,552	25,554	33,592

Deferred tax assets

2025	Fair value adjustments of equity investments at fair value through other comprehensive income	Lease liabilities	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	101	5,209	5,090	22,097	32,497
Credited/(charged) to profit or loss during the year	–	454	12,473	(9,895)	3,032
Charged to other comprehensive income	(101)	–	–	–	(101)
At 31 December 2025	–	5,663	17,563	12,202	35,428

Deferred tax liabilities

2026	Fair value adjustments of equity investments at fair value through other comprehensive income	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	921	1,565	5,552	25,554	33,592
Credited to profit or loss during the period	–	(186)	(492)	(65)	(743)
At 31 March 2026	921	1,379	5,060	25,489	32,849

Deferred tax assets

2026	Lease liabilities	Tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	5,663	17,563	12,202	35,428
Charged to profit or loss during the period	(216)	(63)	–	(279)
At 31 March 2026	5,447	17,500	12,202	35,149

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	5,136	4,970	3,401	3,678
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	2,310	1,565	1,378

Deferred tax assets have not been recognised in respect of the following items:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	1,412,829	3,300,576	4,597,840	5,092,416
Deductible temporary differences	2,230,983	2,895,904	3,309,325	3,501,677
	3,643,812	6,196,480	7,907,165	8,594,093

36. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

	31 December 2023		31 December 2024		31 December 2025		31 March 2026	
	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value	Number of shares	Nominal value
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
Issued and fully paid:								
A shares of RMB1.00 each	3,418,521	3,418,521	3,416,997	3,416,997	3,416,997	3,416,997	3,416,997	3,416,997

A summary of movements in the Group's share capital is as follows:

	Number of shares	Share capital
	'000	*RMB'000*
At 1 January 2023	3,433,634	3,433,634
Issue of shares upon exercise of share options[1]	124	124
Cancellation of treasury shares	(15,237)	(15,237)
At 31 December 2023 and 1 January 2024	3,418,521	3,418,521
Cancellation of treasury shares[2]	(1,524)	(1,524)
At 31 December 2024 and 1 January 2025	3,416,997	3,416,997
At 31 December 2025 and 1 January 2026	3,416,997	3,416,997
At 1 January 2026 and 31 March 2026	3,416,997	3,416,997

1 The unlocking of the options in the third unlocking period of the 2019 share option scheme of the Company were reached in 2022 and were exercised in 2023, and the actual number of options exercised was 124,000 shares.

2 During the Relevant Periods, the Company repurchased and cancelled 15,237,000, 1,524,000, Nil and Nil restricted shares of the Company, respectively.

At the end of each of the Relevant Periods, 70,748,000, 62,907,000, 33,737,000 and 33,688,000 shares held by the Group and Company were classified as treasury shares.

37. SHARE OPTION SCHEME

2019 Option Scheme

The Company operates a share option scheme (the "2019 Option Scheme") which became effective on 9 September 2019. The Company granted 1,412,190 share options to 150 grantees. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than one year from each vesting date.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the 2019 Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2019 Option Scheme during the Relevant Periods:

	2023	
	Weighted average exercise price	Number of options
	RMB per share	*'000*
At 1 January	21.15	130
Forfeited during the year	–	–
Exercised during the year	21.15	(124)
Expired during the year	21.15	(6)
At 31 December	–	–

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2023 was RMB21.15 per share.

The fair value of equity-settled share options granted was estimated as at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	First exercise period	Second exercise period	Third exercise period
Dividend yield (%)	0.88	0.64	0.67
Expected volatility (%)	48.78	52.59	47.49
Risk-free interest rate (%)	2.61	2.7	2.74
Expected life of options (year)	1	2	3
Weighted average share price (RMB per share)	35.60	35.60	35.60

No other feature of the options granted was incorporated into the measurement of fair value.

2020 Option Scheme

The Company operates a share option scheme (the "2020 Option Scheme") which became effective on 16 June 2020. The Company granted 4,963,300 share options to 38 grantees. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of three to four years and ends on a date which is not later than one year from each vesting date.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the 2020 Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2020 Option Scheme during the Relevant Periods:

	2023	
	Weighted average exercise price	Number of options
	RMB per share	*'000*
At 1 January	37.17	2,481
Forfeited during the year	37.17	(2,481)
At 31 December	–	–

The weighted average share price at the date of exercise for share options exercised as at the end of 31 December 2023 were RMB37.17 per share.

The fair value of equity-settled share options granted was estimated as at the date of grant using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	First exercise period	Second exercise period
Dividend yield (%)	0.61	0.64
Expected volatility (%)	51.83	47.83
Risk-free interest rate (%)	2.29	2.39
Expected life of options (year)	3	4
Weighted average share price (RMB per share)	37.06	37.06

No other feature of the options granted was incorporated into the measurement of fair value.

During the year ended 31 December 2023, the Group reversed equity-settled share option expense of RMB15,232,000.

38. SHARE AWARD SCHEME

2019 SHARE AWARD SCHEME

The Company operates a share award scheme (the "2019 Share Award Scheme") which became effective on 9 September 2019. The exercise period of the incentive shares being granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than one year from each vesting date.

Under the 2019 Share Award Scheme, the Company granted 706,000 incentive shares to 150 grantees at a grant price of RMB6.11 per share. The incentive shares granted were sourced from the Company's shares repurchased treasury shares in the secondary market.

The unlocking dates of the incentive shares are the first trading day after 12 months, 24 months and 36 months from the date of share registration. Upon meeting the performance conditions stipulated in the 2019 Share Award Scheme, 40%, 30% and 30% of the incentive shares shall be unlocked, respectively.

The Company accounts for the 2019 Share Award Scheme as an equity-settled plan. The fair value of the incentive shares granted was valued by reference to the market prices of the Company's shares at the grant date.

2020 SHARE AWARD SCHEME

The Company operates a share award scheme (the "2020 Share Award Scheme") which became effective on 16 June 2020. The exercise period of the incentive shares granted is determinable by the directors, and commences after a vesting period of two to three years and ends on a date which is not later than one year from each vesting date.

Under the 2020 Share Award Scheme, the Company granted 18,275,000 incentive shares to 1,676 grantees at a grant price of RMB12.23 per share. The incentive shares granted were sourced from the Company's treasury shares repurchased in the secondary market.

The unlocking dates of the incentive shares are the first trading day after 24 months and 36 months from the date of share registration. Upon meeting the performance conditions stipulated in the 2020 Share Award Scheme, 50% and 50% of the incentive shares shall be unlocked, respectively.

The Company accounts for the 2020 Share Award Scheme as an equity-settled plan. The fair value of the incentive shares granted was valued by reference to the market prices of the Company's shares at the grant date.

2021 SHARE AWARD SCHEME

The Company operates a share award scheme (the "2021 Share Award Scheme") which became effective on 24 August 2021. The exercise period of the incentive shares being granted is determinable by the directors, and commences after a vesting period of one to two years and ends on a date which is not later than one year from each vesting date.

Under the 2021 Share Award Scheme, the Company granted 10,124,000 incentive shares to 2,014 grantees at a grant price of RMB16.88 per share. The incentive shares granted were sourced from the Company's treasury shares repurchased in the secondary market.

The unlocking dates of the incentive shares are the first trading day after 12 months and 24 months from the date of share registration. Upon meeting the performance conditions stipulated in the 2021 Share Award Scheme, 50% and 50% of the incentive shares shall be unlocked, respectively.

The Company accounts for the 2021 Share Award Scheme as an equity-settled plan. The fair value of the shares granted was valued by reference to the market prices of the Company's incentive shares at the grant date.

2022 SHARE AWARD SCHEME

The Company operates a share award scheme (the "2022 Share Award Scheme") which became effective on 15 June 2022. The exercise period of the incentive shares being granted is determinable by the directors, and commences after a vesting period of one to two years and ends on a date which is not later than one year from each vesting date.

Under the 2022 Share Award Scheme, the Company granted 3,344,000 incentive shares to 363 grantees at a grant price of RMB12.56 per share. The incentive shares granted were sourced from the Company's treasury shares repurchased in the secondary market.

The unlocking dates of the incentive shares are the first trading day after 12 months and 24 months from the date of share registration. Upon meeting the performance conditions stipulated in the 2022 Share Award Scheme, 50% and 50% of the incentive shares shall be unlocked, respectively.

The Company accounts for the 2022 Share Award Scheme as an equity-settled plan. The fair value of the incentive shares granted was valued by reference to the market prices of the Company's shares at the grant date.

2023 SHARE AWARD SCHEME

The Company operates a share award scheme (the "2023 Share Award Scheme") which became effective on 15 September 2023. The exercise period of the incentive shares granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than one year from each vesting date.

Under the 2023 Share Award Scheme, the Company granted 61,502,000 incentive shares to 2,557 grantees at a grant price of RMB9.08 per share. The incentive shares granted were sourced from the Company's treasury shares repurchased from the secondary market.

The unlocking dates of the incentive shares are the first trading day after 12 months, 24 months and 36 months from the date of share registration. Upon meeting the performance conditions stipulated in the 2023 Share Award Scheme, 30%, 35% and 35% of the incentive shares shall be unlocked, respectively.

The Company accounts for the 2023 Share Award Scheme as an equity-settled plan. The fair value of the incentive shares granted was valued by reference to the market prices of the Company's shares at the grant date.

During the years ended 31 December 2023, 2024, 2025 and 31 March 2026, the Group recognised equity-settled share-based payments of RMB63,573,000, RMB90,180,000, RMB40,257,000 and RMB5,871,000, respectively.

39. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Pursuant to the relevant laws and regulations and the articles of association of the Company, the Company is required to transfer 10% of its profit after income tax, as determined under PRC GAAP, to the reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. Upon the approval from the relevant authorities, this reserve can be used to make up any losses incurred or to increase share capital. Except for offsetting against losses, this reserve cannot fall below 25% of the registered share capital after being used to increase share capital. The reserves available for distribution to shareholders are the retained profits.

The reserves of the Company are as follows:

	Capital reserve	Share-based payments reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	5,531,689	33,449	–	1,324,595	875	2,325,392	9,216,000
Loss for the year	–	–	–	–	–	(408,905)	(408,905)
Share of other comprehensive income of associates	–	–	–	–	341	–	341
Final 2022 dividend declared	–	–	–	–	–	(203,575)	(203,575)
Issue of shares	2,505	–	–	–	–	–	2,505
Shares repurchased	(97)	–	–	–	–	–	(97)
Grant of incentive shares	(844,624)	–	–	–	–	–	(844,624)
Share-based payments	1,476	9,789	–	–	–	–	11,265
Cancellation of treasury shares	(190,801)	–	–	–	–	–	(190,801)
At 31 December 2023 and 1 January 2024	4,500,148	43,238	–	1,324,595	1,216	1,712,912	7,582,109
Loss for the year	–	–	–	–	–	(1,616,720)	(1,616,720)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	(569)	–	–	–	(569)
Share of other comprehensive income of associates	–	–	–	–	2,028	–	2,028
Sale of treasury shares	28,110	–	–	–	–	–	28,110
Shares repurchased	(16)	–	–	–	–	–	(16)
Cancellation of treasury shares	(17,617)	–	–	–	–	–	(17,617)
Share-based payments	46,081	29,277	–	–	–	–	75,358
Others	(3,058)	–	–	–	–	–	(3,058)
At 31 December 2024	4,553,648	72,515	(569)	1,324,595	3,244	96,192	6,049,625
Loss for the year	–	–	–	–	–	(630,598)	(630,598)
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	5,792	–	–	–	5,792
Share of other comprehensive income of associates	–	–	–	–	(2,490)	–	(2,490)
Sale of treasury shares	143,413	–	–	–	–	–	143,413
Shares repurchased	(6)	–	–	–	–	–	(6)
Share-based payments	44,801	(6,847)	–	–	–	–	37,954
At 31 December 2025	4,741,856	65,668	5,223	1,324,595	754	(534,406)	5,603,690

	Capital reserve	Share-based payments reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024 and 1 January 2025	4,553,648	72,515	(569)	1,324,595	3,244	96,192	6,049,625
Loss for the period (unaudited)	–	–	–	–	–	(485,609)	(485,609)
Share of other comprehensive income of associates (unaudited)	–	–	–	–	(3,582)	–	(3,582)
Shares repurchased (unaudited)	(1)	–	–	–	–	–	(1)
Share-based payments (unaudited)	–	11,167	–	–	–	–	11,167
At 31 March 2025 (unaudited)	4,553,647	83,682	(569)	1,324,595	(338)	(389,417)	5,571,600

	Capital reserve	Share-based payments reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Statutory reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025 and 1 January 2026	4,741,856	65,668	5,223	1,324,595	754	(534,406)	5,603,690
Loss for the period	–	–	–	–	–	(471,107)	(471,107)
Share of other comprehensive income of associates	–	–	–	–	89	–	89
Sale of treasury shares	470	–	–	–	–	–	470
Share-based payments	–	5,569	–	–	–	–	5,569
At 31 March 2026	4,742,326	71,237	5,223	1,324,595	843	(1,005,513)	5,138,711

40. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Percentage of equity interests held by non-controlling interests:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
	(%)	*(%)*	*(%)*	*(%)*
Chanjet	33.65	33.55	46.48	45.89
Yonyou Government Affairs	27.58	27.58	27.58	27.58
Yonyou Auto	43.18	43.18	43.18	43.18
Yonyou Fintech	25.47	25.47	24.55	24.55
Seentao Tech	46.78	46.60	45.96	45.96

Profit/(loss) for Relevant Periods allocated to non-controlling interests:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chanjet	5,342	11,227	37,922	8,763
Yonyou Government Affairs	(41,483)	(80,870)	628	(11,106)
Yonyou Auto	49,573	34,850	18,425	4,623
Yonyou Fintech	24,789	8,387	3,498	(6,651)
Seentao Tech	54,215	17,650	4,664	(5,025)

Dividends distributed to non-controlling interests:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Yonyou Government Affairs	–	552	–	–
Yonyou Auto	–	31,159	30,280	–
Yonyou Fintech	–	–	10,667	–
Seentao Tech	45,700	51,635	11,128	–

Accumulated balances of non-controlling interests at the Relevant Periods:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chanjet	292,640	303,048	444,751	447,760
Yonyou Government Affairs	156,352	75,651	76,881	65,775
Yonyou Auto	825,286	831,177	808,760	813,383
Yonyou Fintech	141,823	152,185	139,962	133,233
Seentao Tech	264,969	235,537	231,430	226,544

The following tables illustrate the summarised financial information of the above subsidiaries.

The amounts disclosed are before any inter-company eliminations:

Year ended 31 December 2023

	Chanjet	Yonyou Government Affairs	Yonyou Auto	Yonyou Fintech	Seentao Tech
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	800,621	547,444	733,694	635,847	427,002
Profit/(loss) for the year	15,876	(150,409)	114,805	97,328	115,893
Total comprehensive income/(loss)	15,914	(150,409)	114,805	97,328	115,893
Current assets	1,266,806	500,711	2,025,188	700,680	509,666
Non-current assets	318,776	487,331	169,947	73,382	286,372
Current liabilities	552,792	416,830	283,472	216,567	218,071
Non-current liabilities	163,132	4,308	394	673	11,552
Net cash flows (used in)/ generated from operating activities	(42,048)	(107,822)	88,329	21,849	152,715
Net cash flows (used in)/ generated from investing activities	(65,692)	(23,271)	(275,207)	(19,261)	(209,083)
Net cash flows (used in)/ generated from financing activities	(7,432)	7,988	1,080,319	(4,244)	(143,770)
Effect of foreign exchange rate changes, net	1,221	–	–	–	–
Net increase/(decrease) in cash and cash equivalents*	(113,951)	(123,105)	893,441	(1,656)	(200,138)

The following tables illustrate the summarised financial information of the above subsidiaries. (Continued)

The amounts disclosed are before any inter-company eliminations: (Continued)

Year ended 31 December 2024

	Chanjet	Yonyou Government Affairs	Yonyou Auto	Yonyou Fintech	Seentao Tech
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	959,273	513,603	593,598	582,846	363,643
Profit/(loss) for the year	33,464	(293,219)	80,708	32,930	37,803
Total comprehensive income/(loss)	33,494	(293,219)	80,708	32,921	37,803
Current assets	1,168,429	365,411	1,864,845	747,032	419,901
Non-current assets	526,233	316,420	289,137	64,232	284,637
Current liabilities	603,897	402,078	229,014	213,267	191,696
Non-current liabilities	187,492	5,456	55	491	7,583
Net cash flows (used in)/ generated from operating activities	91,296	(46,474)	80,293	(1,538)	(1,357)
Net cash flows (used in)/ generated from investing activities	(378,558)	29,603	(15,948)	20,255	(3,619)
Net cash flows used in financing activities	(7,878)	(16,201)	(82,965)	(1,077)	(124,754)
Effect of foreign exchange rate changes, net	1,910	–	–	(9)	–
Net increase/(decrease) in cash and cash equivalents*	(293,230)	(33,072)	(18,620)	17,631	(129,730)

Year ended 31 December 2025

	Chanjet	Yonyou Government Affairs	Yonyou Auto	Yonyou Fintech	Seentao Tech
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	1,094,931	577,427	508,610	542,336	305,148
Profit for the year	81,587	2,278	42,670	14,247	10,153
Total comprehensive income	81,548	2,278	42,670	14,112	10,153
Current assets	1,242,419	391,594	1,652,138	748,969	368,519
Non-current assets	651,271	298,456	446,157	62,186	289,361
Current liabilities	709,690	405,169	225,298	240,129	150,355
Non-current liabilities	227,134	6,126	–	918	3,980
Net cash flows generated from operating activities	151,228	27,313	13,952	86,026	12,618
Net cash flows (used in)/ generated from investing activities	(267,450)	(146)	(81,470)	103	(17)
Net cash flows used in financing activities	(35,492)	(18,189)	(95,089)	(54,119)	(34,580)
Effect of foreign exchange rate changes, net	(1,435)	–	–	(134)	–
Net increase/(decrease) in cash and cash equivalents*	(153,149)	8,978	(162,607)	31,876	(21,979)

Three months ended 31 March 2026

	Chanjet	Yonyou Government Affairs	Yonyou Auto	Yonyou Fintech	Seentao Tech
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	266,031	63,122	95,051	58,877	21,918
Profit/(loss) for the period	19,096	(40,269)	10,706	(27,090)	(10,934)
Total comprehensive income/(loss)	19,071	(40,269)	10,706	(26,834)	(10,934)
Current assets	1,215,761	337,198	1,643,813	683,264	299,866
Non-current assets	724,266	292,512	445,997	58,767	302,161
Current liabilities	722,586	385,517	206,106	196,161	105,138
Non-current liabilities	241,716	5,705	–	3,170	3,974
Net cash flows generated/(used in) from operating activities	85,302	(86,799)	(18,301)	(82,861)	(74,028)
Net cash flows (used in)/ generated from investing activities	(60,682)	(37,779)	(967,866)	–	(7,324)
Net cash flows (used in)/ generated financing activities	(2,075)	24,677	(57)	(582)	(233)
Effect of foreign exchange rate changes, net	(45)	–	–	(337)	–
Net increase/(decrease) in cash and cash equivalents*	22,500	(99,901)	(986,224)	(83,780)	(81,585)

* The information disclosed here is the difference between the cash and cash equivalents at the end of the period and the cash and cash equivalents at the beginning of the period of the above companies.

41. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB70,333,000, RMB84,643,000 and RMB82,964,000, respectively; and lease liabilities of RMB70,333,000, RMB84,643,000 and RMB82,964,000, respectively, in respect of lease arrangements for office buildings and vehicles.

For the three months ended 31 March 2025 and 2026, the Group had non-cash additions to right-of-use assets of RMB28,702,000 and RMB12,842,000, respectively; and lease liabilities of RMB28,702,000 and RMB12,842,000, respectively, in respect of lease arrangements for office buildings and vehicles.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Bank loans	Interest payables	Other long-term liabilities	Other borrowing	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	136,773	4,215,000	–	395,015	–	4,746,788
Changes from financing cash flows	(80,831)	1,829,400	(159,372)	713	–	1,589,910
New leases	70,333	–	–	–	–	70,333
Interest expense	7,753	–	159,372	–	–	167,125
Disposal or retirement and others	(15,731)	–	–	–	–	(15,731)
Acquisition of a subsidiary *(note 44)*	–	3,000	–	–	–	3,000
Others	–	–	–	3,870	–	3,870
As at 31 December 2023 and 1 January 2024	118,297	6,047,400	–	399,598	–	6,565,295

	Lease liabilities	Bank loans	Interest payables	Other long-term liabilities	Other borrowing	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Changes from financing cash flows	(73,750)	819,425	(188,475)	(33,447)	–	523,753
New leases	84,643	–	–	–	–	84,643
Disposal or retirement and others	(30,954)	–	–	–	–	(30,954)
Interest expense	4,487	–	188,475	–	–	192,962
Others	–	–	–	(17,242)	–	(17,242)
As at 31 December 2024 and 1 January 2025	102,723	6,866,825	–	348,909	–	7,318,457
Changes from financing cash flows	(61,130)	(2,295,354)	(169,130)	(18,771)	200,000	(2,344,385)
New leases	82,964	–	–	–	–	82,964
Disposal or retirement and others	(22,529)	–	–	–	–	(22,529)
Interest expense	4,077	–	169,130	–	1,450	174,657
Others	–	–	–	(22,393)	–	(22,393)
As at 31 December 2025	106,105	4,571,471	–	307,745	201,450	5,186,771

	Lease liabilities	Bank loans	Interest payables	Other long-term liabilities	Other borrowing	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	102,723	6,866,825	–	348,909	–	7,318,457
Changes from financing cash flows	(14,497)	(343,000)	(45,424)	–	–	(402,921)
New leases	28,702	–	–	–	–	28,702
Disposal or retirement and others	(21,204)	–	–	–	–	(21,204)
Interest expense	1,081	–	45,424	–	–	46,505
Others	–	–	–	(1,223)	–	(1,223)
As at 31 March 2025 (unaudited)	96,805	6,523,825	–	347,686	–	6,968,316

	Lease liabilities	Bank loans	Interest payables	Other long-term liabilities	Other borrowing	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	106,105	4,571,471	–	307,745	201,450	5,186,771
Changes from financing cash flows	(10,920)	192,800	(32,815)	(4,246)	812,075	956,894
New leases	12,842	–	–	–	–	12,842
Disposal or retirement and others	(2,845)	–	–	–	–	(2,845)
Interest expense	1,106	–	32,815	–	4,415	38,336
Others	–	–	–	1,344	–	1,344
As at 31 March 2026	106,288	4,764,271	–	304,843	1,017,940	6,193,342

The total cash outflows for leases relating to leases have been disclosed in note 16 to the Historical Financial Information.

42. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Group did not have any significant contingent liabilities.

43. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital commitments	405,275	286,807	27,369	17,583
Investment commitments[1]	65,855	68,570	65,000	30,000
Total	471,130	355,377	92,369	47,583

1 Yonyou Network Technology Co., Ltd. (the "Company") jointly established Gaocheng Xingzhi (Beijing) Equity Investment Partnership (Limited Partnership) (the "Gaocheng") with eight other entities, with a committed capital contribution of RMB 100,000,000, representing a 11.7647% interest in Gaocheng. As of December 31, 2025, the Company had made actual cash contributions of RMB 35,000,000, with an outstanding commitment of RMB 65,000,000.

On January 16, 2026, the Company entered into a Partnership Interest Transfer Agreement (the "Transfer Agreement") with Ningbo Yunfanxiang Enterprise Management Partnership (Limited Partnership) (the "Yunfanxiang"), pursuant to which the Company transferred its unfulfilled commitment of RMB 35,000,000 in partnership interests in Gaocheng to Yunfanxiang for a nominal consideration of RMB 0. Following the transfer, the Company retained a remaining partnership interest in Gaocheng amounting to RMB 65,000,000, representing a 7.6471% interest, of which RMB 30,000,000 remains unfulfilled.

44. BUSINESS COMBINATIONS

(a) On 28 February 2023, the Group acquired a 100% equity in Beijing Hongya Huayu Technology Co., Ltd. ("Beijing Hongya") from a fellow subsidiary of the Company. Beijing Hongya is engaged in technology promotion and application of services. The purchase consideration for the acquisition was in the form of cash with RMB79,307,000. As at 31 December 2023, the Group has paid a total of RMB72,138,000 as the acquisition consideration.

The fair values of identifiable assets and liabilities of the acquired company at the date of acquisition were as follows:

	Acquisition date fair value
	RMB'000
Cash and bank balances	4,544
Trade and bills receivables	3,303
Prepayments, other receivables and other assets	1,666
Inventories	1,203
Property, plant and equipment	256
Other intangible assets	32,000
Interest-bearing bank loans	(3,000)
Trade and bills payables	(926)
Contract liabilities	(3,283)
Other payables and accruals	(899)
Tax payable	(21)
Deferred tax liabilities	(4,800)
Total identifiable net assets at fair value	30,043
Goodwill on acquisition	49,264
Consideration	79,307

Since the acquisition, Beijing Hongya contributed RMB39,065,000 to the Group's revenue and RMB7,526,000 to the consolidated loss for the year ended 31 December 2023.

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been RMB9,443,123,000 and RMB936,056,000, respectively.

(b) On 31 July 2023, the Group acquired a 100% equity in Siku Digital Technology (Qingdao) Co., Ltd. ("Siku Digital") from a fellow subsidiary of the Company. Siku Digital is engaged in software and information technology services. The purchase consideration for the acquisition was in the form of cash with RMB79,650,000. As at 31 December 2023, the Group has paid a total of RMB58,295,000 as the acquisition consideration.

The fair values of identifiable assets and liabilities of the acquired company at the date of acquisition were as follows:

	Acquisition date fair value
	RMB'000
Cash and bank balances	54
Trade and bills receivables	45
Prepayments, other receivables and other assets	162
Property, plant and equipment	69
Other intangible assets	7,700
Other payables and accruals	(426)
Tax payable	1
Deferred tax liabilities	(1,925)
Total identifiable net assets at fair value	5,680
Goodwill on acquisition	73,970
Consideration	79,650

Since the acquisition, Siku Digital contributed RMB16,098,000 to the Group's revenue and contributed RMB12,084,000 to the consolidated loss for the year ended 31 December 2023.

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year would have been RMB9,442,538,000 and RMB933,238,000, respectively.

An analysis of the cash flows in respect of the acquisition of subsidiaries in 2023 is as follows:

	31 December 2023
	RMB'000
Payments for business combinations in current year	130,433
Less: cash and bank balances acquired	3,529
Payments for business combinations in prior periods	37,048
Net outflow of cash and cash equivalents included in cash flows from investing activities	163,952

45. DISPOSAL OF SUBSIDIARIES

The Company signed a share transfer agreement with another shareholder of Shanghai Bingjun Network Technology Co., Ltd ("Shanghai Bingjun"), to sell its 70% equity in Shanghai Bingjun for RMB1. In April 2025, The Company completed its disposal of 70% equity in Shanghai Bingjun. Therefore, starting from April 2025, the Company no longer included Shanghai Bingjun in its consolidated scope.

The relevant financial information of Shanghai Bingjun is presented as follows:

	11 April 2025
	RMB'000
Prepayments and other receivables	427
Trade payables	(4,807)
Contract Liabilities	(1,232)
Accruals and other payables	(138)
	(5,750)
Non-controlling interests	1,723
Subtotal	(4,027)
Gains on disposal of a subsidiary	4,027
Total consideration	–
Satisfied by cash	–

46. PLEDGE OF ASSETS

(a) As at 31 December 2023, 2024, 2025 and 31 March 2026, the restricted bank deposits were RMB74,147,000, RMB176,207,000, RMB75,151,000 and RMB49,549,000 (note 27), respectively.

(b) At 31 December 2025, certain of the Group's facilities and equipments with a net carrying amount of approximately RMB9,334,000 (2024: Nil) were pledged to finance lease company in Chinese mainland granted to the Group (note 31). At 31 March 2026, there was no change in the restricted status of facilities and equipments.

(c) Details of the Group's asset secured for interest-bearing bank loans are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in a subsidiary	274,100	274,100	274,100	274,100

47. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

During the Relevant Periods and three months ended 31 March 2025, the Group entered into the following transactions with related parties:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Associates:					
Revenue from the provision of services	3,682	9,256	5,862	1,015	1,306
Purchases of products	387	171	–	–	–
Purchases of software and related services	1,069	6,677	5,805	457	414
Purchases of other services	478	394	534	122	121
Rental income	626	4,973	5,363	1,227	1,216
Subtotal	6,242	21,471	17,564	2,821	3,057

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Companies controlled by a director of the Group:					
Purchases of other services	7,932	5,160	3,661	941	791
Rental income	580	527	500	141	136
Subtotal	8,512	5,687	4,161	1,082	927
Companies associated with the ultimate controller:					
Purchases of products	1,253	932	762	282	307
Associates companies connected with a subsidiary's natural person:					
Revenue from the provision of services	2,760	3,176	–	–	–
Fellow subsidiaries:					
Revenue from the provision of services	30	102	1,483	–	344
Rental income	456	470	421	83	126
Subtotal	486	572	1,904	83	470
Associates companies connected with a parent's natural person					
Revenue from the provision of services	–	–	615	–	85
Associates companies connected with a natural person					
Rental income	–	–	990	221	203
Shareholders:					
Rental income	142	142	142	35	36

(b) Other transactions with related parties

In September 2023, the Company signed an equity transfer agreement with Yonyou Enterprise Management Institute Co., Ltd. to transfer an 8.00% interest in Dayee Cloud (a subsidiary of the Company) for RMB40,240,000. After the completion of the equity transfer, the Company held a 92.74% interest in Dayee Cloud equity.

In June 2024, Yonyou Up transferred the repurchase obligations under the 2022 share ownership scheme of Chanjet to Beijing Yonyou Enterprise Management Institute Co., Ltd.

The Group's interest income from deposits with Beijing Zhongguancun Bank Co., Ltd. was RMB46,097,000, RMB9,247,000, RMB5,076,000 and RMB932,000, respectively, during the Relevant Periods and RMB1,391,000 (unaudited) during three months ended 31 March 2025.

The Group's interest costs for interest-bearing bank loans with Beijing Zhongguancun Bank Co., Ltd. were RMB11,616,000 and RMB2,239,000 during the year ended 31 December 2025 and the period ended 31 March 2026, and RMB 675,000 (unaudited) during three months ended 31 March 2025.

In 2025, the Group had a cash inflow of RMB80,000,000 from Shenzhen Qianhai Yonyou Lihe Technology Co., Ltd. ("Shenzhen Yonyou lihe") and RMB212,000,000 from Beijing Yonyou Technology Co., Ltd. ("Beijing Yonyou Tech"), giving rise to accounts payable of RMB80,863,000 and RMB212,225,000, respectively. As of December 31, 2025, these accounts payable had been fully settled.

In 2026, the Group had a cash inflow of RMB367,000,000 from Shenzhen Qianhai Yonyou Lihe Technology Co., Ltd. ("Shenzhen Yonyou lihe"). As of March 31, 2026, the balance of accounts payable is RMB367,000,000. The accounts payable is expected to be fully settled on December 31, 2026.

In 2026, the Group had a cash inflow of RMB567,000,000 from Beijing Yonyou Technology Co., Ltd. ("Beijing Yonyou Tech"), giving rise to accounts payable of RMB569,269,000. As of March 31, 2026, the accounts payable had been fully settled.

(c) Outstanding balances with related parties

An analysis of the balances with related parties is as follows:

	Notes	31 December			31 March
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables due from (trade)	*(i)*				
Associates		1,601	2,522	1,729	1,436
Fellow subsidiaries		30	87	1	1
Companies controlled by a director of the Group		–	–	–	472
Associates companies connected with a subsidiary's natural person		1,197	2,299	–	–
Associates companies connected with a parent's natural person		–	–	286	386
Subtotal		2,828	4,908	2,016	2,295
Prepayments to (trade)					
Associates		822	1,584	1,342	1,219
Other receivables due from (trade)	*(ii)*				
Associates		713	624	35	35
Companies controlled by a director of the Group		19	51	20	20
Fellow subsidiaries		–	1	–	30
Companies associated with the ultimate controller		29	13	6	37
Affiliated companies under the significant influence of the ultimate controller		739	739	739	739
Associated companies connected with a natural person		–	–	883	1,098
Subtotal		1,500	1,428	1,683	1,959
Contract assets (trade)	*(iii)*				
Associates		334	536	470	150
Associates companies connected with a subsidiaries' natural person		22	140	–	–
Fellow subsidiaries		–	–	–	16
Associates companies connected with a parent's natural person		–	–	139	130
Subtotal		356	676	609	296
Total		5,506	8,596	5,650	5,769

(i) The above amounts are the book values of trade receivables, and the amounts of bad debt provision as at 31 December 2023, 2024, 2025 and 31 March 2026 were RMB673,000, RMB874,000, RMB658,000 and RMB1,048,000, respectively.

(ii) The above amount are the book values of other receivables, and the amount of bad debt provision as at 31 December 2023, 2024, 2025 and 31 March 2026 were RMB1,354,000, RMB1,342,000, RMB781,000 and RMB840,000, respectively.

(iii) The above amount are the book values of contract assets, and the amount of bad debt provision as at 31 December 2023, 2024, 2025 and 31 March 2026 were RMB18,000, RMB59,000, RMB81,000 and RMB47,000, respectively.

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables due to (trade)				
Associates	2,293	3,586	5,140	5,548
Fellow subsidiaries	2	2	2	2
Subtotal	2,295	3,588	5,142	5,550
Other payables (trade)				
Associates	191	2,500	5,847	2,576
Shareholder	–	–	200	234
Companies controlled by a director of the Group	7	7	7	7
Associated companies connected with a natural person	–	–	–	367,000
Fellow subsidiaries	35	35	22	33
Subtotal	233	2,542	6,076	369,850
Contract liabilities (trade)				
Associates	2,169	1,100	1,303	1,394
Associated companies connected with a parent's natural person	–	–	–	6
Associated companies connected with a natural person	–	–	–	23
Fellow subsidiaries	–	–	1,545	1,430
Subtotal	2,169	1,100	2,848	2,853
Total	4,697	7,230	14,066	378,253

Trade receivables and payables to related parties are non-interest bearing and unsecured.

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits placed with:				
Associated company held by Yonyou				
Beijing Zhongguancun Bank Co., Ltd.	1,090,841	260,616	189,119	189,299
Interest-bearing bank loans:				
Associated company held by Yonyou				
Beijing Zhongguancun Bank Co., Ltd.	–	–	280,000	271,000

As at 31 December 2023, 2024, 2025 and 31 March 2026 the Group had interest receivables of RMB712,000, RMB4,982,000, RMB413,000 and RMB1,043,000, respectively, due from Beijing Zhongguancun Bank Co., Ltd..

The annual interest rates of the above deposits were 0.35% to 4.88%, 0.35% to 2.9%, 0.25% to 2.9%, and 0.25% to 2.9%, respectively during the Relevant Periods.

(d) Compensation of key management personnel of the Group

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2025	Three months ended 31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Short term employee benefits	30,882	32,245	26,185	8,400	6,270
Pension scheme contributions	1,084	1,161	922	287	226
Equity-settled share-based payment expense	846	1,319	1,394	1,032	107
Total compensation to key management personnel	32,812	34,725	28,501	9,719	6,603

The key management personnel mentioned above include directors, supervisors, the chief executive and other key management personnel. Further details of directors', supervisors' and the chief executive's emoluments are included in note 10 to the Historical Financial Information.

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

2023

Financial assets

	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Equity investments			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	1,255,352	–	1,255,352
Equity investments designated at fair value through other comprehensive income	30,000	–	–	30,000
Trade and bills receivables	–	–	2,661,428	2,661,428
Financial assets included in prepayments, other receivables and other assets	–	–	213,955	213,955
Restricted bank deposits and time deposits with an initial term of over three months	–	–	1,292,507	1,292,507
Time deposits (non-current portion)	–	–	251,232	251,232
Cash and cash equivalents	–	–	6,752,939	6,752,939
Total	30,000	1,255,352	11,172,061	12,457,413

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank loans	–	6,047,400	6,047,400
Other long-term liabilities	399,598	–	399,598
Trade payables	–	1,006,520	1,006,520
Financial liabilities included in other payables and accruals	–	1,292,730	1,292,730
Total	399,598	8,346,650	8,746,248

2024

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments	Equity investments			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	–	1,005,226	–	1,005,226
Equity investments designated at fair value through other comprehensive income	–	29,330	–	–	29,330
Trade and bills receivables	111,151	–	–	2,474,815	2,585,966
Financial assets included in prepayments, other receivables and other assets	–	–	–	256,801	256,801
Restricted bank deposits and time deposits with an initial term of over three months	–	–	–	767,055	767,055
Time deposits (non-current portion)	–	–	–	401,681	401,681
Cash and cash equivalents	–	–	–	5,656,857	5,656,857
Total	111,151	29,330	1,005,226	9,557,209	10,702,916

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank loans	–	6,866,825	6,866,825
Other long-term liabilities	348,909	–	348,909
Trade payables	–	1,102,906	1,102,906
Financial liabilities included in other payables and accruals	–	1,059,678	1,059,678
Total	348,909	9,029,409	9,378,318

2025

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments	Equity investments			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	–	805,816	–	805,816
Equity investments designated at fair value through other comprehensive income	–	36,144	–	–	36,144
Trade and bills receivables	47,863	–	–	2,372,300	2,420,163
Financial assets included in prepayments, other receivables and other assets	–	–	–	271,049	271,049
Restricted bank deposits and time deposits with an initial term of over three months	–	–	–	835,266	835,266
Time deposits (non-current portion)	–	–	–	642,372	642,372
Cash and cash equivalents	–	–	–	3,120,651	3,120,651
Total	47,863	36,144	805,816	7,241,638	8,131,461

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank loans	–	4,571,471	4,571,471
Other long-term liabilities	307,745	–	307,745
Trade payables	–	1,249,752	1,249,752
Financial liabilities included in other payables and accruals	–	902,073	902,073
Total	307,745	6,723,296	7,031,041

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Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments	Equity investments			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	–	–	1,824,367	–	1,824,367
Equity investments designated at fair value through other comprehensive income	–	36,144	–	–	36,144
Trade and bills receivables	44,804	–	–	2,313,434	2,358,238
Financial assets included in prepayments, other receivables and other assets	–	–	–	275,545	275,545
Restricted bank deposits and time deposits with an initial term of over three months	–	–	–	799,320	799,320
Time deposits (non-current portion)	–	–	–	714,512	714,512
Cash and cash equivalents	–	–	–	1,698,160	1,698,160
Total	44,804	36,144	1,824,367	5,800,971	7,706,286

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Interest-bearing bank loans	–	4,764,271	4,764,271
Other long-term liabilities	304,843	–	304,843
Trade payables	–	1,223,080	1,223,080
Financial liabilities included in other payables and accruals	–	1,644,836	1,644,836
Total	304,843	7,632,187	7,937,030

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, short-term bank loans, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of other non-current assets, long-term loans and other non-current liabilities were determined by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar terms, credit risk and remaining maturities or incremental borrowing rate. Management has assessed that the fair value of these financial instruments approximate to their carrying amounts. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank loans as at 2023, 2024, 2025 and March 31, 2026 were assessed to be insignificant.

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 audit committee. At the end of each reporting periods, 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 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 listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the Relevant Periods.

The Group also invests in wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these wealth management products by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024, 2025 and 31 March 2026:

Description	Fair value			As at 31 March	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	As at 31 December						
	2023	2024	2025	2026			
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Unlisted equity investment	814,891	710,543	777,614	807,220	Comparable company multiples	EV/EBIT: 13.83-68.15, EV/EBITDA: 57.46, EV/Sales: 0.32-19.75, P/E: 25.6-51.19, P/S: 0.28-31.02	If the comparable company multiples had increased/ decreased by 5% with another variables held constant, the fair value at the years ended 31 December 2023, 2024, 2025 and 31 March 2026 would have increased/ decreased by RMB12,704,000, RMB28,810,000, RMB30,382,000 and RMB30,382,000, respectively.
Unlisted equity investment	814,891	710,543	777,614	807,220	DLOM	15%-45%	If the DLOM had increased/ decreased by 5% with another variables held constant, the fair value at the years ended 31 December 2023, 2024, 2025 and 31 March 2026 would have decreased/ increased by RMB8,607,000, RMB14,453,000, RMB18,233,000 and RMB18,233,000, respectively.
Equity investments designated at fair value through other comprehensive income	30,000	29,330	36,144	36,144	Comparable company multiples	EV/Sales: 19.29-27.77	If the comparable company multiples had increased/ decreased by 5% with another variables held constant, the fair value at the years ended 31 December 2024, 2025 and 31 March 2026 would have increased/decreased by RMB335,000, RMB488,000 and RMB488,000 respectively.
					DLOM	9%-19%	If the DLOM had increased/ decreased by 5% with other variables held constant, the fair value at the years ended 31 December 2024, 2025 and 31 March 2026 would have decreased/increased by RMB33,000, RMB27,000, and RMB27,000, respectively.

Description	Fair value As at 31 December 2023	Fair value As at 31 December 2024	Fair value As at 31 December 2025	As at 31 March 2026	Significant unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*			
Third-party interests in consolidated structured entities	399,598	348,909	307,745	304,843	Comparable company multiples	EV/EBIT: 68.15, EV/EBITDA: 57.46, EV/Sales: 0.32-8.01, P/S: 3.99-31.02	If the comparable company multiples had increased/decreased by 5% with another variables held constant, the fair value at the years ended 31 December 2023, 2024, 2025 and 31 March 2026 would have increased/decreased by RMB1,029,000, RMB700,000, RMB66,000 and RMB66,000, respectively.
					DLOM	15%-40%	If the DLOM had increased/decreased by 5% with another variables held constant, the fair value at the years ended 31 December 2023, 2024, 2025 and 31 March 2026 would have decreased/increased by RMB583,000, RMB155,000, RMB37,000 and RMB37,000, respectively.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Equity investments designated at fair value through other comprehensive income	–	–	30,000	30,000
Financial assets at fair value through profit or loss:				
Wealth management products	–	250,030	–	250,030
Unlisted equity investments	–	–	814,891	814,891
Listed equity investments	190,431	–	–	190,431
Total	190,431	250,030	844,891	1,285,352
Liabilities				
Other long-term liabilities	–	–	399,598	399,598

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Equity investments designated at fair value through other comprehensive income	–	–	29,330	29,330
Financial assets at fair value through profit or loss:				
Wealth management products	–	123,289	–	123,289
Unlisted equity investments	–	–	710,543	710,543
Listed equity investments	169,587	–	–	169,587
Derivative financial instruments	–	1,807	–	1,807
Bills receivables at FVTOCI	–	111,151	–	111,151
Total	169,587	236,247	739,873	1,145,707
Liabilities				
Other long-term liabilities	–	–	348,909	348,909

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Equity investments designated at fair value through other comprehensive income	–	–	36,144	36,144
Financial assets at fair value through profit or loss:				
Wealth management products	–	11,215	–	11,215
Unlisted equity investments	–	–	777,614	777,614
Listed equity investments	1,937	–	–	1,937
Contingent consideration	–	15,050	–	15,050
Bills receivables at FVTOCI	–	47,863	–	47,863
Total	1,937	74,128	813,758	889,823
Liabilities				
Other long-term liabilities	–	–	307,745	307,745

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
Equity investments designated at fair value through other comprehensive income	–	–	36,144	36,144
Financial assets at fair value through profit or loss:				
Wealth management products	2,162	997,920	–	1,000,082
Unlisted equity investments	–	–	807,220	807,220
Listed equity investments	2,015	–	–	2,015
Contingent consideration	–	15,050	–	15,050
Bills receivables at FVTOCI	–	44,804	–	44,804
Total	4,177	1,057,774	843,364	1,905,315
Liabilities				
Other long-term liabilities	–	–	304,843	304,843

During the Relevant Periods, 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.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise cash and bank balances, financial assets at fair value through profit or loss, trade and bills receivables, other non-current assets, short-term and long-term loans, financial liabilities at fair value through profit or loss, trade payables, other payables and accruals, etc. 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 receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are market risk (including interest rate risk, foreign currency risk and equity price risk), credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank loans. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank loans. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and Loan Prime Rate of National Interbank Funding Centre arising from the Group's RMB denominated bank loans. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of loans in fixed and floating rates and ensure they are within reasonable range.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit/(loss) after tax (through the impact on floating rate loans) and the Group's equity.

	Increase/(decrease) in basis points	Increase/(decrease) in loss after tax	Increase/(decrease) in equity*
		RMB'000	*RMB'000*
2023			
RMB	5	1,583	(1,583)
RMB	(5)	(1,583)	1,583
2024			
RMB	5	1,650	(1,650)
RMB	(5)	(1,650)	1,650
2025			
RMB	5	496	(496)
RMB	(5)	(496)	496
Three months ended 31 March 2026			
RMB	5	142	(142)
RMB	(5)	(142)	142

* Excluding retained profits

(ii) Foreign currency risk

Foreign currency risk means the risk of fluctuations in the fair value or future cash flows of financial instruments which arise from changes in exchange rates. The Group's foreign currency risk mainly arises from sales or purchases by operating units in currencies other than the units' functional currencies.

The Group has currency exposures mainly from its cash and cash equivalents denominated in Hong Kong dollar and United States dollar. As at 31 December 2023, 2024, 2025 and 31 March 2026 the Group's cash and cash equivalents denominated in currencies other than functional currency of the relevant group entities were equivalent to RMB267,939,000, RMB265,246,000, RMB275,810,000 and RMB251,129,000.

In addition, the Group has currency exposures from its interest-bearing bank borrowings. The Group has used a foreign currency swap contract to reduce the exposure to RMB arising from the borrowings.

Management believes that the fluctuation of the exchange rates of foreign currencies against RMB will not affect the Group's results of operations.

The following table demonstrates the sensitivity at the end of the Relevant Periods to a reasonably possible change in the Hong Kong dollar and RMB exchange rate, with all other variables held constant, of the Group's profit/(loss) after tax and the Group's equity.

	Increase/(decrease) in Hong Kong dollar/RMB rate	Increase/(decrease) in loss after tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
2023			
If the RMB weakens against the Hong Kong dollar	5%	(5,756)	5,756
If the RMB strengthens against the Hong Kong dollar	(5%)	5,756	(5,756)
2024			
If the RMB weakens against the Hong Kong dollar	5%	(5,826)	5,826
If the RMB strengthens against the Hong Kong dollar	(5%)	5,826	(5,826)
2025			
If the RMB weakens against the Hong Kong dollar	5%	(5,622)	5,622

	Increase/(decrease) in Hong Kong dollar/RMB rate	Increase/(decrease) in loss after tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
If the RMB strengthens against the Hong Kong dollar	(5%)	5,622	(5,622)
Three months ended 31 March 2026			
If the RMB weakens against the Hong Kong dollar	5%	(5,240)	5,240
If the RMB strengthens against the Hong Kong dollar	(5%)	5,240	(5,240)

(iii) Equity price risk

The Group is exposed to equity securities price risk because of investments held by the Group classified in the consolidated statement of financial position as equity investments at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below summarizes the impact of increase/decrease of quoted price of the equity investments at fair value through profit or loss in open markets on the Group's after-tax loss during the Relevant Periods and on equity as at the end of each of the Relevant Periods. The analysis is based on the assumption that the equity price had increased/decreased by 5% with all other variables held constant:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025	Three months ended 31 March 2026
Changes in quoted price in open markets	5%	5%	5%	5%

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Impact on loss after tax for the year/period	8,093	7,207	82	86
Impact on equity (excluding retained profits)	8,093	7,207	82	86

(b) Credit risks

The Group trades only with recognised and creditworthy third parties. 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 and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

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 31 December 2023, 2024, 2025 and 31 March 2026. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	–	–	–	3,754,500	3,754,500
Contract assets*	–	–	–	1,030,202	1,030,202
Financial assets included in prepayments, other receivables					
– Normal**	187,018	–	–	–	187,018
– Doubtful**	–	94,627	44,045	–	138,672
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	1,292,507	–	–	–	1,292,507
Time deposits (non-current portion)					
– Not yet past due	251,232	–	–	–	251,232
Cash and cash equivalents					
– Not yet past due	6,752,939	–	–	–	6,752,939
Total	8,483,696	94,627	44,045	4,784,702	13,407,070

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	111,151	–	–	3,402,742	3,513,893
Contract assets*	–	–	–	1,067,235	1,067,235
Financial assets included in prepayments, other receivables					
– Normal**	252,102	–	–	–	252,102
– Doubtful**	–	80,672	42,877	–	123,549
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	767,055	–	–	–	767,055
Time deposits (non-current portion)					
– Not yet past due	401,681	–	–	–	401,681
Cash and cash equivalents					
– Not yet past due	5,656,857	–	–	–	5,656,857
Total	7,188,846	80,672	42,877	4,469,977	11,782,372

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	47,863	–	–	3,454,533	3,502,396
Contract assets*	–	–	–	1,268,996	1,268,996
Financial assets included in prepayments, other receivables					
– Normal**	239,955	–	–	–	239,955
– Doubtful**	–	106,898	49,175	–	156,073
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	835,266	–	–	–	835,266
Time deposits (non-current portion)					
– Not yet past due	642,372	–	–	–	642,372
Cash and cash equivalents					
– Not yet past due	3,120,651	–	–	–	3,120,651
Total	4,886,107	106,898	49,175	4,723,529	9,765,709

As at 31 March 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	44,804	–	–	3,437,597	3,482,401
Contract assets*	–	–	–	1,348,044	1,348,044
Financial assets included in prepayments, other receivables					
– Normal**	244,043	–	–	–	244,043
– Doubtful**	–	112,063	49,175	–	161,238
Restricted bank deposits and time deposits with an initial term of over three months					
– Not yet past due	799,320	–	–	–	799,320
Time deposits (non-current portion)					
– Not yet past due	714,512	–	–	–	714,512
Cash and cash equivalents					
– Not yet past due	1,698,160	–	–	–	1,698,160
Total	3,500,839	112,063	49,175	4,785,641	8,447,718

* Except for bills receivables measured at FVTOCI, the Group applies the simplified approach for impairment to contract assets, trade and bills receivables, information based on the individual basis and provision matrix is disclosed in notes 23 and 24 to the Historical Financial Information, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets 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".

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. The majority of the Group's customers are required to make payments in advance, and only a very small portion of the Group's customers could enjoy the credit policy. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 24 to the Historical Financial Information.

(c) Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding. The Group's maturity analysis of bank loans that shows the remaining contractual maturities is disclosed in note 33. Their carrying values are equal to their fair values. The Group's management monitors the working capital position to ensure that there is adequate liquidity to meet with all the financial obligations when they become due and to maximise the return of the Group's financial resources.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
Trade payables	1,006,520	–	–	1,006,520
Interest-bearing bank loans	4,241,976	2,006,521	–	6,248,497
Lease liabilities	67,235	56,441	–	123,676
Other long-term liabilities	–	302,656	96,942	399,598
Financial liabilities included in other payables and accruals	1,268,864	24,713	–	1,293,577
Total	6,584,595	2,390,331	96,942	9,071,868

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024				
Trade payables	1,102,906	–	–	1,102,906
Interest-bearing bank loans	5,536,127	1,515,089	–	7,051,216
Lease liabilities	56,339	53,167	–	109,506
Other long-term liabilities	82,337	266,572	–	348,909
Financial liabilities included in other payables and accruals	1,054,553	5,294	–	1,059,847
Total	7,832,262	1,840,122	–	9,672,384

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025				
Trade payables	1,249,752	–	–	1,249,752
Interest-bearing bank loans	3,972,646	684,906	–	4,657,552
Lease liabilities	54,036	59,912	–	113,948
Other long-term liabilities	130,545	177,200	–	307,745
Financial liabilities included in other payables and accruals	910,518	2,598	–	913,116
Total	6,317,497	924,616	–	7,242,113

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 March 2026				
Trade payables	1,223,080	–	–	1,223,080
Interest-bearing bank loans	4,774,945	79,233	–	4,854,178
Lease liabilities	56,934	56,184	–	113,118
Other long-term liabilities	129,239	175,604	–	304,843
Financial liabilities included in other payables and accruals	1,644,825	2,598	–	1,647,423
Total	7,829,023	313,619	–	8,142,642

(d) 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 and the risk characteristics of the underlying assets. 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 Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. The Group aims to maintain the gearing ratio at a reasonable level. Net debt includes trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank loans, other long-term liabilities and lease liabilities, less cash and cash equivalents and restricted bank deposits and time deposits with an initial term of over three months in current portion. Capital represents equity attributable to owners of the Company. The gearing ratios at the end of each of the Relevant Periods are as follows:

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,006,520	1,102,906	1,249,752	1,223,080
Financial liabilities included in other payables and accruals	1,292,730	1,059,678	902,073	1,644,836
Interest-bearing bank loans	6,047,400	6,866,825	4,571,471	4,764,271
Other Long-term liabilities	399,598	348,909	307,745	304,843
Lease liabilities	118,297	102,723	106,105	106,288

	31 December 2023	31 December 2024	31 December 2025	31 March 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Less: Cash and cash equivalents and restricted bank deposits and time deposits with an initial term of over three months in current portion	8,045,446	6,423,912	3,955,917	2,497,480
Net debt	819,099	3,057,129	3,181,229	5,545,838
Equity attributable to owners of the parent	10,152,400	8,246,604	7,598,564	6,895,445
Capital and net debt	10,971,499	11,303,733	10,779,793	12,441,283
Gearing ratio	7%	27%	30%	45%

Note: Gearing ratio is zero when the amount of cash and cash equivalents and restricted bank deposits in current portion is higher than gross debt.

51. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events after the end of the Relevant Periods that require additional disclosure or adjustments.

52. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 March 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of [**REDACTED**] of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which [**REDACTED**] of H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, is subject to change and does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an [**REDACTED**] in the H Shares, nor does it take into account the specific circumstances of any particular [**REDACTED**], some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [**REDACTED**] in the H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, all of which are subject to change and may have retrospective effect.

This discussion does not address any aspects of the PRC taxation other than income tax, capital tax, stamp duty and estate duty. Prospective [**REDACTED**] are urged to consult their financial advisers regarding the PRC and other tax consequences of [**REDACTED**] and [**REDACTED**] of H Shares.

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was latest amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was latest amended on December 18, 2018 and came into effect on January 1, 2019 (collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to a PRC withholding tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to a withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Notice of the SAT on Issues Concerning the Administration of Individual Income Tax Collection after the Annulment of the Document Guo Shui Fa [1993] No. 045 (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) issued by the SAT on June 28, 2011, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested

enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

In accordance with the EIT Law (《中華人民共和國企業所得税法》) effective as at December 29, 2018 and the Regulations on the Implementation of EIT Law of the PRC (《中華人民共和國企業所得税法實施條例》) amended and came into effect on December 6, 2024, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The withholding tax may be reduced pursuant to applicable treaties for the avoidance of double taxation. Such income tax for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on dividends paid to non-PRC resident enterprise shareholders of H Shares with respect to the dividends of 2008 and onwards. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the SAT on July 24, 2009 and effective on the same date, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company. Pursuant to the Fourth Protocol of the SAT to the Arrangement between the Mainland and Hong Kong

Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第四議定書》) effective as at December 29, 2015, the above-mentioned provisions are not applicable to any arrangement which is primarily made for the purpose of obtaining the above taxation benefits.

Additionally, the application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the SAT on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Investors who are not PRC residents and reside in countries which have entered into avoidance of double taxation treaties with the PRC are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC has entered into arrangements for the avoidance of double taxation with a number of countries and regions including but not limited to Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the PRC tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

Value-added Tax ("VAT") and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to VAT (《關於全面推開營業税改徵增值税試點的通知》) (Cai Shui [2016] No. 36) (hereinafter referred to as "**Circular 36**"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in

China, the holder may be required to pay the PRC VAT. However, in view of no clear regulations, whether the non-PRC resident enterprises are required to pay the PRC VAT for the disposal of H shares, there is still uncertainty in the interpretation and application of the above provisions.

Income tax

Individual Investors

According to the IIT Law, gains realized on the sale of equity interests in PRC resident enterprises are subject to the income tax at a rate of 20%.

Pursuant to the Circular of the MOF and SAT on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the MOF, SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167), which provides that individuals' income from transferring listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for certain shares which are subject to sales limitations as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As at the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges. To the knowledge of the Company, in practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place. Such income

tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by enterprises in the PRC from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in the PRC from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in the PRC to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated by the MOF, the SAT and the CSRC on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in the PRC from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December, 2019 to 31 December, 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in the PRC from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in the PRC from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in the PRC. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

Pursuant to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) issued on June 10, 2021 and effective on July 1, 2022, PRC stamp duty only applies to documents executed or received within the PRC, having legally binding force in the PRC and protected

under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

PRINCIPAL TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as "**enterprises**") within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the PRC, or has an establishment or place of business in the PRC but the income has no actual connection to such establishment or place of business, shall pay enterprise income tax on its income within the PRC and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

VAT

According to the Provisional Regulations on Value-Added Tax (《中華人民共和國增值税暫行條例》) which was promulgated by the State Council on December 13, 1993, and latest amended on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and latest amended on October 28, 2011, all enterprises and individuals that engage in the sale of goods, the provision of processing, repair and replacement services, sales of service, intangible assets and real estate and the importation of goods within the territory of the PRC shall pay value-added tax. The tax rate for taxpayers engaging in sale of services shall be 6% and the tax rate for taxpayers engaging in sale of goods shall be 17%, unless otherwise stipulated. With the VAT reforms in the PRC, the rate of VAT has been changed several times.

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》), which will become effective on January 1, 2026, and the Provisional Regulations of the PRC on Value-Added Tax will be abolished.

Pursuant to the Implementation Rules of Pilot Reform for Transition from Business Tax to VAT (《營業税改徵增值税試點實施辦法》) which was promulgated on March 23, 2016, and latest amended on March 20, 2019, unless otherwise provided in the implementation rules, taxpayers incurring taxable activities are generally subject to a 6% VAT. The Notice on the Adjustment to VAT Rates (《關於調整增值税税率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and SAT on April 4, 2018 and became effective as of May 1, 2018 adjusted the applicative rate of VAT, and the deduction rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) (Announcement [2019] No. 39 of the MOF, SAT and General Administration of Customs), promulgated by MOF, SAT and General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

FOREIGN EXCHANGE

On January 29, 1996, the State Council promulgated the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administration Regulations**"), which last amended on August 5, 2008. The Foreign Exchange Administration Regulations clearly states that the State will not impose any restriction on international payments and transfers under the current account items.

Additionally, the Foreign Exchange Administration Regulations have made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. Second, it has improved the mechanism for determining the RMB exchange rate based on market supply and demand. Third, it has enhanced the monitoring of cross-border foreign currency fund flows. In the event that revenues and costs in connection with international transactions suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the Sate may adopt necessary safeguard or control measures. Fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

On June 20, 1996, PBOC promulgated the Provision on the Settlement and Sale of and Payment in Foreign Exchange (《結匯、售匯及付匯管理規定》) (the "**Settlement Regulations**") which became effective on July 1, 1996. The Settlement Regulations abolished all other restrictions on convertibility of foreign exchange under current account items, while retaining the existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), issued by PBOC on July 21, 2005, from the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of foreign currencies such as U.S. dollar against Renminbi in the interbank foreign exchange market after the closing of the market on each working day, which will be used as the central parity for the transactions of such foreign currency against Renminbi exchange rate on the following working day.

Starting from January 4, 2006, PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practice of matching was kept at the same time. In addition to the above, PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On July 1, 2014, PBOC further improved the formation mechanism of the RMB exchange rate by authorizing the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD of the current day, which shall be finally decided on the weighted average of the prices of all market makers after excluding the highest and lowest quotations, and announce it at 9:15 a.m. on each working day. On August 11, 2015, PBOC announced to improve the central parity quotations of RMB against the U.S. dollar by authorizing market-makers to provide central parity quotations to the China Foreign Exchange Trade System with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

According to relevant PRC laws, PRC enterprises (including foreign-invested enterprises) which need foreign exchange for transactions relating to current account items may, without the approval of SAFE, effect payment for their foreign exchange accounts at the designated foreign exchange banks with the support of valid receipts and proof. Foreign-invested enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as the Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting approving the distribution of profits, effect payment from their foreign exchange accounts or convert and pay dividends at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which canceled the approval requirement by the SAFE and its branches for the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing.

On December 26, 2014, the SAFE issued the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which a domestic company shall, within 15 working days from the date of the end of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation; and the proceeds from an overseas listing may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

On February 13, 2015, the SAFE issued the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13), which came into effect on June 1, 2015. The Notice cancels the foreign exchange registration approval under domestic direct investment and foreign exchange registration approval under overseas direct investment, and requires the banks to review and carry out foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment directly. SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Notice of the SAFE on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjust of the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix sets forth summaries of certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Taxation and Foreign Exchange" in Appendix III to this document. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

PRC LAWS AND REGULATIONS

PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical culture protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after

being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The people's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative

regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

PRC Judicial System

Under the Constitution and the Law on the Organization of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial administration of the people's courts at all levels.

Under the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》), the PRC People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), which was adopted in 1991 and last amended in 2023, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is generally heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the principle of reciprocity to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuse to comply with a judgement or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgement made by the court within the stipulated time, the court will, upon application by either party, enforce the judgement in accordance with the law.

A party seeking to enforce a judgement or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgement or ruling. Where a judgment or ruling made by a foreign court which has come into legal effect requires recognition and enforcement by a people's court, a party may apply directly to the intermediate people's court which has jurisdiction for recognition and enforcement, or the foreign court may, pursuant to the provisions of the international treaty concluded or acceded to by the country of the foreign country and the People's Republic of China or under the principle of reciprocity, request for recognition and enforcement by the people's court.

The Company Law, Overseas Listing Trial Measures and Guidelines for Articles of Association

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The Company Law (《中華人民共和國公司法》) which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest amendment of which was implemented on July 1, 2024;

- The Overseas Listing Trial Measures (《境內企業境外發行證券和上市管理試行辦法》) and its supporting relevant guidelines which were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023 as amended, supplemented or otherwise modified from time to time, and were applicable to the direct and indirect overseas share offering and listing of domestic companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**") which was latest amended and came into effect on March 28, 2025 by the CSRC. The related Guidelines for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of Articles of Association" in this document.

Below sets out a summary of the major provisions of the Company Law, the Trial Measures of Overseas Listing and the Guidelines for Articles of Association:

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its debts for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is provided by law that the joint stock limited company shall not be a contributor that undertakes joint and several liabilities for the debts of the invested companies, such provisions shall apply accordingly.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or RMB.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders' meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC.

Increase of Share Capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. In the case of the issue of shares without par value, half or more of the proceeds of issue of the new shares is to be included in the registered capital.

When a company offers shares to the public, it shall be registered by the securities regulatory authority under the State Council and announce a document. When the shares issued by the company are fully paid up, a public announcement shall be made accordingly.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

When a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who request and are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If a listed company purchases its shares under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholders' meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholders' Meeting

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law, the shareholders' meeting exercises the following principal functions:

- to elect and change directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the Company's profit distribution plan and loss recovery plan;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and change of company form;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Shareholders' annual meeting is required to be held once every year. Under the Company Law, an extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total share capital;

- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors proposes; or
- other circumstances as provided for in the articles of associations.

Under the Company Law, shareholders' meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding 10% or more of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholders' meeting shall be given to all shareholders 15 days prior to the meeting. Under the Guidelines for Articles of Association, after the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Guidelines for Articles of Association, the board of directors and the Secretary of the board of directors will cooperate with the shareholders' meeting convened by the audit committee or shareholders. The board of directors will provide the register of shareholders on the date of equity registration. Moreover, when a shareholders' meeting is held, if the shareholders' meeting requires the directors and senior management to attend the meeting without voting rights, the directors and senior management shall attend the meeting without voting rights and answer the shareholders' inquiries.

Pursuant to the Company Law, shareholders who individually or jointly hold 1% or more of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Guidelines for Articles of Association, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding the following matters shall be adopted by two-thirds or more of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) equity incentive plan; (iv) the company purchases or sells major assets within one year or any guaranty provided to others by the company within one year exceeds 30% of the company's total audited assets in the latest period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, as well as other matters considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company is required to establish a board of directors. A joint stock limited company that is of small size or has a small number of shareholders may not have a board of directors and may have one director who exercises the powers and functions of the board of directors as provided for in the Company Law. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of

association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders' meeting and report on its work to the shareholders' meeting;
- to implement the resolutions passed in shareholders' meeting;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution or change in the form of the company;
- to decide on the setup of the company's internal management organization;
- to appoint or dismiss the company's manager and decide on his remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and financial officer of the company and to decide on their remunerations;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meeting

Under the Company Law, meeting of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing 10% or more of voting rights, one-third or more of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meeting of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for

resolutions to be approved by the board of directors. Directors shall attend board meeting in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from that liability.

Chairman of the Board

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offence of corruption, bribery, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence; if he/she has been pronounced on a suspended sentence, the period of two years has not elapsed since the expiration of the suspension of sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of revocation of business license and the order for closure; or

- a person who is listed as a dishonest person subject to enforcement by the people's court due to his failure to pay off a relatively large amount of due debts.

Other circumstances under which a person is disqualified from acting as a director are set out in the Guidelines for Articles of Association.

Board of Supervisors

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory board, in place of a supervisory board or supervisors. Otherwise, a joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meeting of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors result in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' meeting and to convene and preside over shareholders' meeting when the board of directors fails to perform the duty of convening and presiding over shareholders' meeting under this law;
- to initiate proposals for resolutions to shareholders' meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meeting and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

According to the Transitional Period Arrangements for the Implementation of the Rules of the Supporting System of the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》) issued by the CSRC on December 27, 2024, listed companies shall, prior January 1, 2026, establish an audit committee in the board of directors in accordance with the provisions of the Company Law, the Provisions of the State Council on Implementing the Registration Management System for Registered Capital under the Company Law (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》) and the rules of the supporting system of the CSRC, etc., to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law, and shall not establish Board of Supervisors or supervisors. Before a listed company adjusts the establishment of its internal supervision organization, the Board of Supervisors or supervisors shall continue to comply with the provisions of the original rules and systems of the CSRC on Board of Supervisors or supervisors.

Manager and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors.

The manager shall exercise his powers in accordance with provisions of the articles of association or as authorized by the board of directors. The manager attends board meeting.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association. Directors, supervisors and senior management have fiduciary and diligent duties to the company and should take measures to avoid any conflict between their own interests and the interests of the company and not make use of their powers to obtain improper benefits. Directors, supervisors and senior management have a duty of diligence to the company and should exercise reasonable care in performing their duties in the best interests of the company, as would normally be expected of a manager.

Directors, supervisors and senior management are prohibited from:

- misappropriating company property or funds;
- depositing the company's capital into accounts under his own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of his power;
- taking commissions from the transactions between the company and any other person into his own pocket;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their fiduciary duty to the company.

Directors, Supervisors and senior management, who directly or indirectly enter into contracts or conduct transactions with the company, shall report to the board of directors or the shareholders' meeting on matters relating to the entering into of such contracts or the conduct of such transactions, which shall be approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association of the company.

Directors, supervisors and senior management shall not use the convenience of their positions to seek business opportunities belonging to the company for themselves or others, except in the following circumstances: (i) after reporting to the board of directors or the shareholders' meeting and a resolution by the board of directors or the shareholders' meeting in accordance with the articles of association of the company has been passed; or (ii) the company is unable to take advantage of the business opportunity in accordance with the provisions of the laws, administrative regulations or the articles of association of the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Where any director, supervisor or senior management fails to report to the board of directors or the shareholders' meeting and obtain an approval by resolution of the board of directors or the shareholders' meeting according to the articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, a joint stock limited company shall prepare and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual meeting of shareholders. A joint stock limited company which has issued shares to the public must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

After a company reduces its registered capital in accordance with the provisions of the Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meeting, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, board of directors or the board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidelines for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the shareholders' meeting.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association occurred; (ii) the shareholders' meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked, or the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent 10% or more of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, a company may carry on its existence by amending its articles of association or by a resolution of the shareholders' meeting if it has not distributed its assets to its shareholders yet. The amendment of the articles of association or resolution of a shareholders' meeting in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a shareholders' meeting.

Where the company is dissolved in the circumstances described in (i), (ii), (iv), or (v) above, a liquidation group shall be established. The directors shall be the liquidation obligors of the company and form a liquidation group to carry out liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors except where the articles of association provide otherwise or the shareholders resolve to elect another person. If a liquidation group is not established within the stipulated period or fails to carry out the liquidation after its formation, any interested party may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;

- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance with the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to apply for deregistration.

The members of the liquidation group are obliged to perform their liquidation duties with fidelity and diligence. The members of the liquidation group shall be liable for damages caused to the company if they are negligent in performing their liquidation duties. A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If a share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Remedies of Company

According to the Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management should be responsible to the company for such damages.

Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") was passed by the SCNPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the

Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000 and was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》). In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

Judicial judgement and its enforcement

According to the Arrangement of the Supreme People's Court between the Mainland and the Hong Kong Special Administrative Region (the "**HKSAR**") on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**") promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgement, defined with payment amount and enforcement power, made between the court of PRC and the court of the HKSAR in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of Mainland China or the court of the HKSAR for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of Mainland China or the court of the HKSAR in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of Mainland China or the court of the HKSAR to recognized and enforce the final judgement made in Mainland China or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 18, 2019, the PRC Supreme People's Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement came into effect on January 29, 2024.

This Appendix is primarily intended to provide potential [**REDACTED**] with an overview of the Articles of Association, the following information is a summary and therefore may not contain all the information that is material to potential [**REDACTED**].

ISSUANCE OF SHARES

The shares of the Company shall be issued in a fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws, regulations and the listing rules of the places where the Company's shares are listed, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meeting:

(i) Issuance of shares to unspecified parties;

(ii) Issuance of shares to specified parties;

(iii) Distribution of bonus shares to existing shareholders;

(iv) Converting the reserve funds into share capital;

(v) Other methods as provided for by laws and administrative regulations and approved by the CSRC and other securities regulatory authorities and the stock exchanges in the places where the shares of the Company are listed.

The Company may decrease the registered share capital. When the Company reduces its registered capital, it shall comply with the procedures stipulated in the Company Law and other regulations, the Articles of Association.

The Company shall not repurchase its own shares, unless otherwise under the circumstances:

(i) Reducing the Company's registered share capital;

(ii) Merging with other companies which hold our shares;

(iii) Using the shares for an employee stock ownership plan or equity incentive plan;

(iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(v) Use of shares for conversion of convertible corporate bonds issued by the Company;

(vi) Necessary for the Company to maintain its value and protect the interests of the Shareholders.

The repurchase of the Company's shares by the Company may be carried out through public centralized trading on stock exchanges, or other methods recognized under laws, regulations and the stock exchanges at the places where the Company's shares are listed.

A resolution shall be passed at the shareholders' meeting when the Company is to repurchase its own shares under the circumstances (i) and (ii) set out above. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the Company's Board shall be passed by two-thirds or more of the Directors attending the Board meeting in accordance with the applicable securities regulatory rules of the places where the Company's shares are listed.

After the Company has repurchased its own shares in accordance with the circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

When the Company repurchases its own shares, it shall perform the obligation of information disclosure in accordance with the Securities Law and the regulatory rules of securities of the places where the Company's shares are listed.

TRANSFER OF SHARES

Shares issued prior to the initial public offering of A shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on the stock exchange. Where the securities regulatory rules of the places where the Company's shares are listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall be met simultaneously.

Any gains from sale of Company's shares or other securities with the nature of equity by the Directors, senior management members or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with the nature of equity by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, there is an exception for securities companies that hold more than 5% of the shares due to the purchase of surplus shares after the package sale, and other circumstances stipulated by the CSRC and the securities regulatory rules of the places where the Company's

shares are listed. The shareholders holding 5% or more of the Company's shares as mentioned above do not include the recognized clearing houses and their agents as defined in the relevant regulations effective from time to time under the laws of Hong Kong.

Shares or other securities with the nature of equity held by Directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provision set forth above, the Shareholders are entitled to request the Board of Directors to do so within 30 days.

If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court of the PRC in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability in accordance with law.

FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES IN OUR COMPANY

The Company or its subsidiaries (including affiliates of enterprises) shall not offer gifts, loans, guarantees, compensations and any financial assistance for others to acquire the shares of the Company or its parent company except for those implemented by employee stock ownership plans by the Company.

Upon the resolution of the shareholders' meeting or the resolution adopted by the Board of Directors as authorized by the Articles of Association of the Company or by the shareholders' meeting, the Company or its Subsidiaries (including its affiliated enterprises) may provide financial assistance for other persons to acquire shares in the Company or its parent company, provided that the aggregate amount of such financial assistance shall not exceed ten percent of the total issued share capital of the Company. The resolution of the Board of Directors shall be passed by two-thirds or more of all the Directors.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's Shares. The original register of shareholders of H shares is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the

Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

(i) To receive dividends and other forms of interest distribution according to the number of shares held;

(ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights;

(iii) To supervise operations of the Company, provide suggestions or submit queries;

(iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) To read and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of meeting of the Board of Directors and accounting reports. The shareholders who comply with the regulations may also consult the Company's accounting books and accounting vouchers;

(vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;

(vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;

(viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where the Company's shares are listed, or the Articles of Association.

If the shareholders request access to or reproduction of relevant information mentioned in the above article or ask for relevant materials, they shall provide the Company with written documents evidencing the class and number of the shares held by them in the Company, upon verification of their status as shareholders, the Company shall provide such shareholders with the information as required by them. If a shareholder who individually or jointly holds 3% or more of the Company's shares for 180 or more consecutive days may requests to inspect the Company's accounting books or accounting vouchers.

If a shareholder requests to review the Company's accounting books and accounting vouchers, the shareholder shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that the shareholder's review of accounting books and accounting vouchers has an improper purpose and may harm the Company's legitimate interests, it may refuse to provide the review and shall reply in writing to the shareholder within 15 days from the date of the shareholder's written request, explaining the reasons. If the Company refuses to provide access, the shareholders may file a lawsuit with the People's Court.

Shareholders of the Company who inspect or replicate the relevant materials shall also comply with the provisions of the Securities Law and related laws and administrative regulations.

If the content of the resolution of the Company's shareholders' meeting or Board of Directors violates laws, administrative regulations, the shareholders have the right to request the court to clarify it invalid. If the convening procedures or voting methods of the shareholders' meeting or the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates laws, administrative regulations and the Articles of Association, the shareholders have the right to request the court to revoke the resolution within 60 days from the date on which the resolution is made, except where there are only some minor defects in the convening procedures or the voting method of the Shareholders' meeting or the Board of Directors, which do not materially affect the resolution.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management who are not members of the Audit Committee when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the court. Where members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the shareholders holding 1% or more shares separately or jointly for 180 or more consecutive days may submit a written request to the Board of Directors to file an action with the court.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of the Company. In the event of any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court pursuant to the provisions of the preceding paragraphs.

The obligations of shareholders are as follows:

(i) To abide by laws, administrative regulations, the regulatory rules of securities of the places where the Company's shares are listed and the Articles of Association;

(ii) To provide Share capital according to the Shares subscribed and the subscription methods;

(iii) Not to withdraw Shares unless prescribed otherwise in laws, administrative regulations or the regulatory rules of securities of the places where the Company's shares are listed;

(iv) Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;

(v) To perform other duties prescribed in laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Company's shares are listed and the Articles of Association.

Shareholders of a company who abuse their shareholders' rights and cause the company or other shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders of a company who abuse the independent legal person status of the company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the company shall bear joint liability for the company's debt.

If the shareholders holding more than 5% of the voting shares of the Company pledge their shares, they shall submit a written report to the Company and declare it in accordance with the applicable relevant laws and regulations on the day of such pledge.

The controlling shareholder and actual controller of the Company shall not use their connected relationship to damage the legitimate interests of the Company; who violate the rules and cause losses to the Company shall be liable for compensation.

The controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the provisions of the CSRC and the stock exchange, and safeguard the interests of the Company.

Where the controlling shareholders or actual controllers of the Company does not serve as a Director of the Company but actually executes the Company's affairs, the provisions of the Articles of Association regarding the duty of loyalty and diligence of Directors shall apply. Where the controlling shareholders or actual controllers of the Company instructs Directors or senior management personnel to engage in acts that harm the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management personnel.

General Provisions for Shareholders' Meeting

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

(i) Resolution on appointment and dismissal of an accounting firm undertaking the company's auditing business by the Company;

(ii) To elect and replace the Directors who are not employee representatives, and to decide on matters relating to the remuneration of Directors;

(iii) To examine and approve reports of the Board of Directors;

(iv) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(v) To decide on any increase or decrease of the Company's registered capital;

(vi) To decide on the issue of corporate bonds by the Company;

(vii) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(viii) To amend the Articles of Association;

(ix) To examine and approve the guarantees, financial assistance and transaction stipulated in the Articles of Association that need to be examined and approved by the Shareholders' meeting;

(x) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(xi) To examine and approve matters relating to changes in the use of proceeds;

(xii) To examine and approve the equity incentive plans and employee stock ownership plans;

(xiii) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association of the Company, which shall be decided by the shareholders' meeting.

The shareholders' meeting may authorize the board of Directors to make resolutions on issuance of bonds by the Company. Except as otherwise provided by laws, administrative regulations, the CSRC or the securities regulatory rules of the places where the Company's shares are listed, the aforesaid powers of the shareholders' meeting shall not be exercised by the board of Directors or any other institution or individual on its behalf upon authorization.

The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for deliberation and approval:

(i) The single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;

(iii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 30% of the Company's total assets audited in the latest period;

(iv) Basis of the cumulative guarantee amount within twelve consecutive months, the total amount of external guarantees provided by the Company has exceeded 30% of the Company's total assets audited in the latest period;

(v) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(vi) The guarantee to be provided to a shareholder, or to an actual controller or related party thereof;

(vii) Other guarantees required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

For guarantee matters within the authority of the Board of Directors, in addition to being approved by more than half of all Directors, they shall also be agreed upon by two-thirds or more of the Directors attending the board meeting. When the shareholders' meeting of the Company deliberates on the guarantee as stipulated in item (iv) of the preceding paragraph, it shall be approved by two-thirds or more of the voting rights held by the shareholders present at the meeting.

The shareholders' meeting is divided into annual shareholders' meeting and extraordinary shareholders' meeting. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of Directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) The uncovered losses of our Company reach one-third of its total share capital;

(iii) A written request from shareholders who separately or jointly hold 10% or more shares in the Company;

(iv) The Board of Directors considers it necessary;

(v) The Audit Committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Assembling of Shareholders' Meeting

The shareholders' meeting shall be convened by the Board of Directors, which shall convene the shareholders' meeting within the time limit specified in the Company's Articles of Association. If the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, the Audit Committee may convene and preside over the meeting on its own. If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit committee does not convene and preside over the shareholders' meeting. Shareholders who individually or collectively hold more than 10% of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

After obtaining the consent of a majority of all independent Directors, an independent Director has the right to propose to the Board of Directors to convene a special shareholders' meeting. Upon receiving such a proposal, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting. If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. If the Board of Directors disagrees to convene a special shareholders' meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene a special shareholders' meeting and shall submit such proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting.

If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide feedback within 10 days of receipt, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting. In such cases, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold 10% or more of the Company's shares have the right to request the Board of Directors to convene a special shareholders' meeting and shall submit such request in writing to the Board of Directors. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written response within 10 days of receipt, indicating whether it agrees or disagrees to convene a special shareholders' meeting. If the Board of Directors agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after making the board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene a special shareholders' meeting, or fails to provide feedback within 10 days of receipt, shareholders who individually or collectively hold 10% or more of the Company's shares have the right to propose to the Audit Committee to convene a special shareholders' meeting and shall submit such request in writing to the Audit Committee. If the Audit Committee agrees to convene a special shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after receiving the request. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting. In such cases, shareholders who individually or collectively hold 10% or more of the Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

Proposals and Notices of Shareholders' Meeting

The Company may convene a shareholders' meeting, and the Board of Directors, the Audit Committee, as well as shareholders who individually or collectively hold more than 1% of the Company's shares, have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after

receiving the proposal, announcing the content of the temporary proposal. If, according to the securities regulatory rules of the places where the Company's shares are listed, the shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the places where the Company's shares are listed. Except for the circumstances specified in the preceding paragraph, after the convener has issued the notice of the shareholders' meeting, it shall not modify the proposals already listed in the notice or add new proposals.

The shareholders' meeting shall not vote on or make resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association.

A notice of a shareholders' meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all Shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the record date of registration of Shareholders entitled to attend the shareholders' meeting;

(v) the name and telephone number of the regular contact person for the meeting;

(vi) the time and procedure for voting online or through other means;

(vii) Other requirements stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

After the shareholders' meeting notice has been issued, the meeting should not be postponed or canceled without a valid reason, and the proposals listed in the notice should not be canceled. In the event of a postponement or cancellation, the convener shall announce and explain the reasons at least two trading days before the originally scheduled date. If the securities regulatory rules of the places where the Company's shares are listed have special provisions regarding the procedures for postponing or canceling a shareholders' meeting, these provisions shall be followed, provided that they do not violate the regulatory requirements of the domestic jurisdiction.

Convening of Shareholders' Meeting

All shareholders on the record date for equity registration have the right to exercise their voting rights through the corresponding voting system. Shareholders may attend the shareholders' meeting in person or appoint a proxy to attend and vote on their behalf.

The shareholders' meeting shall be presided over by the chairman of the board. If the chairman is unable or fails to perform his duties, the meeting shall be presided over by the vice chairman; if the vice chairman is unable or fails to perform their duties, one Director shall be elected by more than half of the Directors to preside over the meeting. If the shareholders' meeting is convened by the Audit Committee, it shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his duties, one member of the Audit Committee shall be elected by more than half of the members of the Audit Committee to preside over the meeting. If the shareholders' meeting is convened by the shareholders themselves, the convener or a representative shall be elected by the convener to preside over the meeting. If the presiding officer of the meeting violates the rules of procedure and prevents the meeting from proceeding, upon the agreement of more than half of the shareholders present and entitled to vote, the shareholders' meeting may elect one person to serve as the presiding officer to continue the meeting.

The Company shall establish rules of procedure for the shareholders' meeting, which shall detail the procedures for convening and voting at the shareholders' meeting, including notification, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, record-keeping and signing, and announcement. The rules shall also specify the principles and specific content of the authorization granted by the shareholders' meeting to the Board of Directors. The rules of procedure for the shareholders' meeting shall be an appendix to the Articles of Association, drafted by the Board of Directors, and approved by the shareholders' meeting.

Voting at the Shareholders' Meeting

The resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(i) Work reports of the Board of Directors;

(ii) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;

(iii) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;

(iv) Annual report of the Company;

(v) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the places where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

(i) The increase or reduction of the registered capital of the Company;

(ii) The division, merger, dissolution and liquidation of the Company;

(iii) Any amendment to the Articles of Association;

(iv) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(v) Share incentive plan;

(vi) other matters as required by the laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote, except for class share shareholders.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's own shares held by the Company do not carry voting rights and such shares shall not count towards the total number of shares with voting rights at shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the "Securities Law," the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for 36 months after the purchase.

In accordance with the requirements of relevant laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on the relevant proposal, or restricts any shareholder from voting only for or against the designated proposal, any vote taken by such shareholder or his representative in violation of the aforesaid provisions or restrictions shall not be counted in the voting results.

The Board of Directors of a company, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed, may publicly exercise shareholders' voting rights. Except for the statutory conditions, the Company shall not impose a minimum shareholding restriction on the solicitation of voting rights.

BOARD OF DIRECTORS

Directors

Directors may include executive Directors, non-executive Directors, and independent Directors. The non-executive Director means the Director who does not hold a management position in the Company.

Directors of the Company shall be individuals, and a person may not serve as a Director of the Company in case of any of the following circumstances:

(i) the person without civil conduct capacity or with limited civil conduct capacity;

(ii) the person who has committed an offense of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than 5 years have elapsed since the date of the completion of implementation of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiry of the probationary period;

(iii) the person who is a former Director, factory Director or General Manager (President) of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license;

(v) the person listed as a judgment defaulter by the court of the PRC because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

(vi) the person has been banned by the CSRC or the Hong Kong Stock Exchange from access to the securities market, and the term of prohibition has not expired;

(vii) the person has been publicly identified by the stock exchange as unsuitable to serve as Directors, senior management personnel, etc. of the listed companies, and the term of prohibition has not expired;

(viii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the places where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions above, the election, appointment or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office.

Directors, who are not employee representatives, are elected or replaced by the shareholders' meeting and may be removed from office by the shareholders' meeting before the expiration of their term. The term of office for Directors is three years, and they may be re-elected for consecutive terms according to the securities regulatory rules of the places where the Company's shares are listed. The Company has one Director who is a representative of the employees. Directors who is employee representative shall be democratically elected or replaced by the Company's employees through the employee representative assembly, and his or her position may be removed by the employee representative assembly before the expiration of his or her terms of office. The term of office is the same as that of the current board of Directors. Re-election is possible upon the expiration of the term.

The term of office for Directors begins on the date of their appointment and ends when the current Board of Directors' term expires. If the term of office for Directors expires and a timely re-election has not taken place, or a Director resigns during his or her term of office, resulting in the number of board members being lower than the legally prescribed number, the outgoing Directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, and the Articles of Association until the newly elected Directors take office.

Directors may concurrently hold the position of President or other senior management positions, but the total number of Directors who concurrently hold the position of President or other senior management positions and Directors who is representative of the employees shall not exceed half of the total number of Directors of the Company.

Directors shall comply with laws, administrative regulations, and the Articles of Association and owe the following duties of diligence to the Company:

(i) They shall exercise the rights granted to them by the Company with prudence, diligence, and care to ensure that the Company's business activities comply with national laws, administrative regulations, and all national economic policies, and that business operations do not exceed the scope of business specified in the business license;

(ii) They shall treat all shareholders fairly;

(iii) They shall promptly understand the status of the Company's business operations and management;

(iv) They shall sign a written confirmation on the Company's regular reports to ensure that the information disclosed by the Company is true, accurate, and complete;

(v) They shall provide relevant information and materials to the Audit Committee truthfully and shall not obstruct the Audit Committee from exercising their powers;

(vi) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed, and the Articles of Association.

Directors may resign before the expiration of their term. Resignation of a Director shall be submitted to the Board of Directors in writing. The Board of Directors shall disclose the relevant circumstances within two days or within the period required by the securities regulatory rules of the places where the Company's shares are listed. If the resignation of a Director causes the number of Directors on the board to fall below the statutory minimum, the outgoing Director shall continue to perform their duties in accordance with relevant laws and regulations until the newly elected Director takes office. Except for the circumstances mentioned in the preceding paragraph, the resignation of a Director shall take effect upon the delivery of the resignation letter to the Board of Directors.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in their personal capacity. When a Director acts in their personal capacity, if a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors, the Director shall make a prior declaration of their position and identity.

The qualifications, nomination, resignation, and other matters concerning independent Directors shall be carried out in accordance with the relevant provisions of laws, regulations, other normative documents, the securities regulatory rules of the places where the Company's shares are listed, and the Company's management system.

Board of Directors

The Company has established a Board of Directors which shall be accountable to the shareholders' meeting.

The Board of Directors shall consist of 8 Directors, including one chairman and one vice chairman.

The Board shall exercise the following duties and powers:

(i) to convene shareholders' meeting and report its work to the shareholders' meeting;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to resolve business operation plans and investment plans of the Company;

(iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;

(vii) to determine, to the extent authorized by the relevant regulations of the securities regulatory authority and stock exchange of the Company's shares listing place, the shareholders' meeting, the Articles of Association, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions of the Company;

(viii) to determine the internal management structure of the Company;

(ix) to determine the appointment or dismissal of the President of the Company, the Board secretary and other Senior Management and determine their remuneration, rewards and penalties; and based on the nomination of the President, to determine the appointment or dismissal of the senior management including Deputy President and Financial Officer of the Company and determine their remuneration, rewards and penalties;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for any amendment of the Articles of Association;

(xii) to manage the information disclosure of the Company;

(xiii) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xiv) to listen to work reports of the President of the Company and review his or her work;

(xv) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

Matters beyond the scope of such authorization shall be submitted to the shareholders' meeting for consideration.

The Board of Directors shall establish special committees such as Audit Committee, Strategy and Sustainable Development Committee, Associated Transaction Control Committee, Remuneration and Appraisal Committee, etc. The special committees shall be accountable to the Board of Directors, perform duties pursuant to the Articles of Association and the authorization of the Board of Directors.

The Board of Directors shall convene at least one meeting every quarter, called by the Chairman, and all Directors shall be notified in writing at least 14 days prior to the meeting by personal delivery, mail, fax, or email.

In any of the following circumstances, the chairman of the board shall convene and preside over a temporary board meeting within ten days:

(1) When proposed by shareholders representing more than one-tenth of the voting rights;

(2) When the chairman deems it necessary;

(3) When proposed by more than one-third of the Directors;

(4) When proposed by the Audit Committee;

(5) When proposed by an independent Director and agreed by more than half of all independent Directors;

(6) When the President makes a proposal.

A meeting of the Board of Directors shall be held only if more than half of the Directors are present. Resolutions of the Board of Directors must be passed by a majority of all Directors.

Voting on resolutions of the Board of Directors shall be conducted on a one person, one vote basis.

If a Director has an associated relationship with the subject matter of a resolution of the Board of Directors, such Director shall not exercise the voting right on such resolution, nor shall such Director act on behalf of other Directors in exercising the voting right. A meeting of the Board of Directors may be held if more than half of the Directors without associated relationships are present, and resolutions made at the meeting of the Board of Directors must be passed by a majority of the Directors without associated relationships. If the number of Directors without associated relationships attending the Board of Directors is less than three, the matter shall be submitted to the shareholders' meeting for review. If laws, regulations, or the securities regulatory rules of the places where the Company's shares are listed impose additional restrictions on Directors' participation in Board of Directors meetings and voting, such provisions shall prevail.

Secretary to the Board

The Company shall have a secretary to the Board, and shall be responsible for the preparation of the Shareholders' meeting and Board meeting, document keeping and management of information regarding the shareholders of the Company and other matters, and shall deal with information disclosure and other matters. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed or other regulatory documents and the Articles of Association.

President and Other Senior Management Members

The Company shall have one President and several Deputy Presidents, all of whom shall be appointed or dismissed by the Board of Directors. Directors may be appointed concurrently as the President, Deputy President or other senior management personnel. However, the total number of Directors concurrently serving as the president, vice president or other senior management personnel, as well as Directors represented by employees, shall not exceed half of the total number of Directors of the Company.

The President is responsible to the Board of Directors and exercises the following powers:

(i) To be in charge of the production, operation and management of the Company, organize and implement the resolutions of the Board of Directors, and report the work to the Board of Directors;

(ii) To implement the Company's annual business plan and investment programs;

(iii) To draft proposals for the establishment of internal management institutions of the Company;

(iv) To draft the Company's basic management systems;

(v) To formulate specific regulations of the Company;

(vi) To propose to the Board of Directors the appointment or dismissal of Deputy Presidents and the Financial Officer;

(vii) To decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;

(viii) To draft matters concerning the wages, benefits, rewards and punishments of the Company's employees, and decide on the employment and dismissal of the Company's employees;

(ix) To propose the convening of a temporary meeting of the Board of Directors;

(x) Other powers granted by the Articles of Association or the Board of Directors.

Senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If senior management personnel fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and the public shareholders, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the places where the shares of the Company are listed and regulations of relevant departments.

Regarding the disclosure of regular reports of A-shares, the Company shall submit and disclose the annual report to the Beijing Securities Regulatory Bureau of the CSRC and the Shanghai Stock Exchange within four months from the end of each fiscal year, and submit and disclose the interim report to the Beijing Securities Regulatory Bureau of the CSRC and the Shanghai Stock Exchange within two months from the end of the first half of each fiscal year.

Regarding the disclosure of the regular reports of H shares, the regular reports of the Company's H shares include the annual report and the interim report. The Company shall disclose the preliminary announcement of the annual performance within three months from the end of each fiscal year, and complete the preparation and disclosure of the annual report within four months from the end of each fiscal year and at least 21 days before the convening of the annual meeting of shareholders. The Company shall disclose the preliminary announcement of the interim results within two months from the end of the first six months of each fiscal year, and complete the preparation and disclosure of the interim report within three months from the end of the first six months of each fiscal year.

The Company shall not establish the statutory account books accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Distribution of Profits

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the shareholders' meeting.

The remaining after-tax profit after the Company has made up for losses and extracted surplus reserves shall be distributed in proportion to the shares held by the shareholders. If the shareholders' meeting violates the provisions of the preceding paragraph and distributes profits to the shareholders before the Company has made up for losses and extracted the statutory surplus reserve, the shareholders must return the profits distributed in violation of the regulations to the company. Shares held by the Company itself do not participate in the profit distribution. The Company must appoint one or more collection agents in Hong Kong for the H-shareholders. The collection agent shall collect and hold on behalf of the relevant H-shareholders the dividends and other payments distributed by the Company in respect of the H-shares, pending payment to such H-shareholders. The collection agent appointed by the Company shall meet the requirements of laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

The company's surplus reserves are used to make up for the Company's losses, to expand the Company's production and operations, or to increase the Company's registered capital. When the shareholders' meeting resolves to convert the reserve fund into share capital, new shares shall be distributed to the shareholders in proportion to their original shares. However, when the legal reserve fund is converted into share capital, the retained reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The internal audit department is accountable to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law, and the securities regulatory rules of the places where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of shareholders' meeting. The Board shall not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm or the method of determining audit fee shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; and the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders' meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the designated press, website or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. Where the securities regulatory rules at the places where the shares of the Company are listed have separate provisions, such provisions shall also be complied with simultaneously.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the designated press, website or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the designated press, website or the National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law.

If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of the following events:

(i) expiry of the term of business;

(ii) a resolution on dissolution is passed by a shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) bankruptcy by law due to its inability to repay due debts;

(v) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(vi) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to Shareholders' interests, and such issues cannot be resolved through other means, Shareholders representing 10% or above of the total voting rights of the Company may plead the court to dissolve the Company.

If the Company is in the situation as described in item (i) of the preceding paragraph, it can continue to exist by amending the Articles of Association. The amendment of the Articles of Association or the resolution of the shareholders' meeting as per the preceding paragraph must be passed by two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting.

If the company is dissolved due to the provisions mentioned in items (i), (ii), (v), and (vi) above, a liquidation shall be conducted and a liquidation group within 15 days from the date the cause for dissolution arises to carry out the liquidation. The liquidation group shall be composed of Directors or persons determined by the shareholders' meeting. If the liquidation group is not established within the prescribed period to conduct the liquidation, interested parties may apply to the People's Court to appoint relevant personnel to form a liquidation group to conduct the liquidation.

If the Company is dissolved due to the provisions mentioned in item (iii) of the preceding article, the liquidation shall be carried out by the parties to the merger or division in accordance with the contract signed at the time of the merger or division.

If the Company is dissolved due to the provisions mentioned in item (iv) of the preceding article, the people's court shall, in accordance with the relevant laws on enterprise bankruptcy, organize shareholders, relevant authorities and professionals to form a liquidation group to carry out bankruptcy liquidation.

The liquidation group shall notify the creditors within 10 days from the date of its establishment and announce it in the designated press, website or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice.

When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims.

During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the Company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the court for confirmation. The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the Company's debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the court for bankruptcy liquidation in accordance with the law. After the court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the court.

The liquidation group shall, within 30 days from the date when the shareholders' meeting or the people's court confirms the liquidation report, handle the cancellation of the company registration with the company registration authority in accordance with the law and announce the termination of the Company.

If the Company is declared bankrupt in accordance with the law, the bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the Company Law or other relevant laws, administrative regulations and regulatory rules at the places where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and regulatory rules at the places where the shares of the Company are listed;

(ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

Any amendment to the Articles of Association that is required to be disclosed in accordance with laws and regulations shall be announced in accordance with provisions thereof.

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation of Our Company

Our Company was incorporated in the PRC on January 18, 1995, and was converted into a joint stock limited company on December 6, 1999. Our Company completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 600588) on May 18, 2001.

As of the date of this document, our Company's registered address and headquarters are located at No. 68 Beiqing Road, Haidian District, Beijing, the PRC. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations.

The relevant PRC laws and regulations and a summary of the Articles of Association are set out in "Appendix IV — Summary of Principal Laws and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" to this document, respectively.

Our principal place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. Our Company has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 8, 2025. Ms. YU Wing Sze (余詠詩) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

Changes in the Share Capital of Our Company

Save as disclosed below, there has been no alteration in our share capital within two years immediately preceding the date of this document.

As approved by the eighth meeting of the ninth session of the Board on March 28, 2024, 1,523,950 A Shares repurchased by our Company under a repurchase mandate were cancelled on September 25, 2024. The total issued share capital of our Company was then decreased from RMB3,418,521,359 to RMB3,416,997,409.

Changes in the Share Capital of Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this document. We have applied to the SFC and SFC [has granted] us a certificate of exemption from strict compliance with the requirements under paragraph 29 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in respect of disclosing the required information of our subsidiaries which are not Major Subsidiaries. For details, see "Waivers and Exemption — Waiver and Exemption in respect of Alteration in Share Capital" in this document.

Save as disclosed below, no alteration in the registered capital of our Major Subsidiaries has taken place within the two years preceding the date of this document.

(1) Yonyou Fintech

On April 2, 2025, the share capital of Yonyou Fintech decreased from RMB107,341,076 to RMB106,667,394.

On September 29, 2025, the share capital of Yonyou Fintech decreased from RMB106,667,394 to RMB106,025,216.

(2) Seentao Technology

On November 5, 2024, the share capital of Seentao Technology decreased from RMB240,152,858 to RMB239,327,858.

On February 13, 2025, the share capital of Seentao Technology decreased from RMB239,327,858 to RMB239,085,936.

On July 7, 2025, the share capital of Seentao Technology decreased from RMB239,085,936 to RMB236,488,834.

On June 18, 2026, the share capital of Seentao Technology decreased from RMB236,488,834 to RMB233,422,219.

Shareholders' Resolutions

At the general meeting of our Company held on June 24, 2025, the following resolutions were passed by the Shareholders:

(i) the [**REDACTED**] of H Shares with a nominal value of RMB1.00 each by our Company and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(ii) the number of H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] before the exercise of the [**REDACTED**] shall not exceed 10% of the enlarged share capital of our Company upon completion of the [**REDACTED**], and the [**REDACTED**] shall not exceed 15% of the above number of H Shares to be [**REDACTED**];

(iii) subject to the completion of the [**REDACTED**], the Articles of Association to become effective on the [**REDACTED**] shall be conditionally adopted, and the Board and its authorized person have been authorized to amend the Articles of Association in accordance with any comments from the relevant regulatory authorities; and

(iv) authorization of the Board and its authorized person to handle relevant matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**].

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contract entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

(i) [**REDACTED**]; and

(ii) [●].

Intellectual Property Rights

Trademarks

a. Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner
1. . . .	用友	PRC	Our Company
		Macau	Our Company
		Malaysia	Our Company
		Japan	Our Company
		Taiwan	Our Company
		Thailand	Our Company
		Hong Kong	Our Company
		Singapore	Our Company
		Indonesia	Our Company
		Philippines	Our Company
		Laos	Our Company
		Brunei	Our Company
2. . . .	用友 yonyou	PRC	Our Company
		Hong Kong	Our Company
3. . . .	yonyou用友	PRC	Our Company

No.	Trademark	Place of Registration	Registered Owner
4. . . .	yonyou	PRC	Our Company
		France	Our Company
		European Union	Our Company
		Macau	Our Company
		Philippines	Our Company
		Canada	Our Company
		Cambodia	Our Company
		Laos	Our Company
		Malaysia	Our Company
		Japan	Our Company
		Thailand	Our Company
		Hong Kong	Our Company
		Singapore	Our Company
		Indonesia	Our Company
		Vietnam	Our Company
		OAPI (Africa)	Our Company
5. . . .	用友 BIP	PRC	Our Company
6. . . .	YonBIP	PRC	Our Company
		Macau	Our Company
		Taiwan	Our Company
		Hong Kong	Our Company
		Malaysia	Our Company
		Philippines	Our Company
		Laos	Our Company
		Brunei	Our Company
		Indonesia	Our Company
		Vietnam	Our Company
7. . . .	yonsuite	PRC	Our Company
		Macau	Our Company
		Taiwan	Our Company
		Hong Kong	Our Company
		Malaysia	Our Company
		Singapore	Our Company
		Philippines	Our Company
		Laos	Our Company
		Brunei	Our Company
		Indonesia	Our Company
		Vietnam	Our Company
8. . . .	YonBuilder	PRC	Our Company
9. . . .	YonLinker	PRC	Our Company
10. . .	YonMaker 定制平台	PRC	Our Company
11. . .	YonMaster	PRC	Our Company
12. . .	BIP	PRC	Our Company

No.	Trademark	Place of Registration	Registered Owner
13. . .	yonyou	Laos	Our Company
14. . .	yonyou U9 Cloud	PRC	Our Company
15. . .	yonyouBIP	PRC	Our Company
		Taiwan	Our Company
		Hong Kong	Our Company
		Malaysia	Our Company
		Singapore	Our Company
16. . .	yonyousuite	Malaysia	Our Company
17. . .	智友	PRC	Our Company
18. . .	智小友	PRC	Our Company
19. . .		PRC	Our Company
20. . .		PRC	Our Company
21. . .		United Kingdom	Our Company
		France	Our Company
		European Union	Our Company
		Macau	Our Company
		Canada	Our Company
		Laos	Our Company
		Malaysia	Our Company
		Thailand	Our Company
		Hong Kong	Our Company
		Singapore	Our Company
		OAPI (Africa)	Our Company
22. . .		United Kingdom	Our Company
23. . .	畅捷通	PRC	Chanjet
24. . .	CHANJET	PRC	Chanjet
25. . .	畅捷智融	PRC	Chanjet
26. . .	畅捷通T1	PRC	Chanjet
27. . .	畅捷通T3	PRC	Chanjet
28. . .	畅捷通T6	PRC	Chanjet
29. . .	畅捷通好业财	PRC	Chanjet
30. . .	畅捷通好会计	PRC	Chanjet
31. . .	畅捷通好生意	PRC	Chanjet
32. . .	好生意	PRC	Chanjet
33. . .	易代账	PRC	Chanjet

No.	Trademark	Place of Registration	Registered Owner
34. . .	新道科技	PRC	Seentao Tech
35. . .	新道	PRC	Seentao Tech
36. . .	SEENTAO	PRC	Seentao Tech
37. . .	新道教育	PRC	Seentao Tech
38. . .	新道云 SEENTAO CLOUD	PRC	Seentao Tech

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
1. . .	Printing Method Based on Editable Templates, Printing Device, and Storage Medium (基於可編輯模板的打印方法、打印裝置及存儲介質)	Our Company	201911110373.3	Invention	PRC
2. . .	Interface Data Testing Method, Device, Terminal, and Storage Medium (一種接口數據測試方法、裝置、終端及存儲介質)	Our Company	201911113903.X	Invention	PRC
3. . .	Method and System for Reducing Network Connection Latency in Long-Distance Communication (一種縮短遠距離通信時網絡連接延遲的方法及系統)	Our Company	201911113932.6	Invention	PRC
4. . .	Mobile Template Construction Method, Server, and Computer-Readable Storage Medium (移動模板構建方法、服務器和計算機可讀存儲介質)	Our Company	201911126989.X	Invention	PRC
5. . .	Upstream and Downstream Business Processing Method and System, Computer-Readable Storage Medium (上、下游業務處理方法及系統、計算機可讀存儲介質)	Our Company	201911158668.8	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
6. . .	Style Adjustment Method, System, and Computer-Readable Storage Medium (樣式調整方法、系統及計算機可讀存儲介質)	Our Company	201911181322.X	Invention	PRC
7. . .	Document Recommendation Method and System, Computer-Readable Storage Medium (單據推薦方法及系統、計算機可讀存儲介質)	Our Company	201811497895.9	Invention	PRC
8. . .	Data Processing Device and Its Control Method (數據處理裝置及其控制方法)	Our Company	201911309456.5	Invention	PRC
9. . .	Site Archive Management Method for Terminals, System, Terminal, and Storage Medium (終端的場地檔案管理方法、系統、終端及存儲介質)	Our Company	201911297705.3	Invention	PRC
10 . .	Archive Data Generation Method, Archive Data Generation Device, and Readable Storage Medium (檔案數據生成方法、檔案數據生成裝置和可讀存儲介質)	Our Company	201911314535.5	Invention	PRC
11 . .	Data Processing Method and Data Processing Device (數據處理方法和數據處理裝置)	Our Company	201911297844.6	Invention	PRC
12 . .	Data Report Generation Method, Generation Device, and Computer-Readable Storage Medium (數據報表的生成方法、生成裝置和計算機可讀存儲介質)	Our Company	201911334038.1	Invention	PRC
13 . .	Database Language Conversion Method, Device, Electronic Device, and Storage Medium (數據庫的語言轉換方法、裝置、電子設備及存儲介質)	Our Company	201911314219.8	Invention	PRC
14 . .	Metadata Storage System, Storage Method, Invocation Method, Invocation Device, and Readable Storage Medium (元數據的存儲系統、存儲方法、調用方法、調用裝置和可讀存儲介質)	Our Company	201911333869.7	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
15 . .	Intent Classification Method Based on Active Learning, Computer Device, and Storage Medium (基於主動學習的意圖分類方法、計算機設備和存儲介質)	Our Company	201911344668.7	Invention	PRC
16 . .	Expense Report Generation Method, Electronic Device, and Computer-Readable Storage Medium (報銷單生成方法、電子設備和計算機可讀存儲介質)	Our Company	202010934011.2	Invention	PRC
17 . .	Message Configuration Method, Electronic Device, and Readable Storage Medium (消息配置方法、電子裝置和可讀存儲介質)	Our Company	202011286196.7	Invention	PRC
18 . .	Control Method for Data Management System, Device, and Readable Storage Medium (數據管理系統的控制方法、裝置和可讀存儲介質)	Our Company	202011301859.8	Invention	PRC
19 . .	Mobile Extension Loading Method, Electronic Device, and Readable Storage Medium (移動端擴展加載方法、電子裝置和可讀存儲介質)	Our Company	202011324629.3	Invention	PRC
20 . .	Image Acquisition Component (圖像採集組件)	Our Company	202123102197.4	Utility Model	PRC
21 . .	Robot Operation Control Method, System, and Readable Storage Medium (機器人運行控制方法、系統和可讀存儲介質)	Our Company	202011481419.5	Invention	PRC
22 . .	Label Determination Method and Device for Enterprise User Profiles Based on Transaction Data (基於交易數據的企業用戶畫像的標籤確定方法和裝置)	Our Company	202011416409.3	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
23 . .	Business Processing Device, Processing Method, and Readable Storage Medium (業務處理裝置、處理方法和可讀存儲介質)	Our Company	202011422169.8	Invention	PRC
24 . .	Search Result Recall Method, Device, and Readable Storage Medium (搜索結果召回方法、裝置和可讀存儲介質)	Our Company	202011431231.X	Invention	PRC
25 . .	Dynamic Dimension Inventory Management Method, System, and Readable Storage Medium (動態維度存量管理方法、系統和可讀存儲介質)	Our Company	202011431858.5	Invention	PRC
26 . .	Robot Development Method, Development Device, and Readable Storage Medium (機器人的開發方法、開發裝置和可讀存儲介質)	Our Company	202011390525.2	Invention	PRC
27 . .	Business Document Push Method, Device, Storage Medium, and Electronic Device (業務單據的推送方法、裝置、存儲介質和電子設備)	Our Company	202211553146.X	Invention	PRC
28 . .	Information Query Method, System, and Readable Storage Medium (信息查詢方法、系統和可讀存儲介質)	Our Company	202110808392.4	Invention	PRC
29 . .	Product Correlation Mining Method, Device, Electronic Device, and Readable Storage Medium (商品相關性挖掘方法、裝置、電子設備和可讀存儲介質)	Our Company	202110812093.8	Invention	PRC
30 . .	Text Image Processing Method, System, and Readable Storage Medium (文本圖像的處理方法、系統和可讀存儲介質)	Our Company	202110812094.2	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
31 . .	Talent Information Processing Method, Device, Computer Device, and Readable Storage Medium (人才信息處理方法、裝置、計算機設備和可讀存儲介質)	Our Company	202110812324.5	Invention	PRC
32 . .	Data Annotation Method, Device, and Readable Storage Medium (數據的標註方法、裝置和可讀存儲介質)	Our Company	202111028299.8	Invention	PRC
33 . .	AI Business Generation Method, Device, and Computer-Readable Storage Medium (人工智能業務生成方法、裝置和計算機可讀存儲介質)	Our Company	202111028723.9	Invention	PRC
34 . .	File Online Preview Method and System, Computer Device, and Readable Storage Medium (文件在線預覽方法及系統、計算機設備、可讀存儲介質)	Our Company	202111128055.7	Invention	PRC
35 . .	Word Segmentation Method and Device, Intent Trigger Method and Device, and Readable Storage Medium (分詞方法及裝置、意圖觸發方法及裝置、可讀存儲介質)	Our Company	202111129412.1	Invention	PRC
36 . .	Recognition Method, Recognition System, Electronic Device, and Storage Medium (識別方法、識別系統、電子設備和存儲介質)	Our Company	202111130756.4	Invention	PRC
37 . .	Middleware Startup Time Optimization Method, Device, and Readable Storage Medium (中間件啟動時長優化方法、裝置和可讀存儲介質)	Our Company	202111231778.X	Invention	PRC
38 . .	Multidimensional Model Convolution Calculation Method, Device, Readable Storage Medium, and Electronic Device (多維模型卷積計算方法、裝置、可讀存儲介質和電子設備)	Our Company	202111348191.7	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
39 . .	Multi-Data Source Query-Driven System, Method, Device, and Storage Medium (多數據源查詢驅動系統、方法、裝置和存儲介質)	Our Company	201911348115.9	Invention	PRC
40 . .	Material Detection System (材料檢測系統)	Our Company	202123044621.4	Utility Model	PRC
41 . .	Process Scheduling System and Its Operation Method, Operation Device, and Readable Storage Medium (流程調度系統及其運行方法、運行裝置和可讀存儲介質)	Our Company	202211534206.3	Invention	PRC
42 . .	Data Processing Method, Device, Readable Storage Medium, and Electronic Device (數據的處理方法、裝置、可讀存儲介質及電子設備)	Our Company	202211546261.4	Invention	PRC
43 . .	Business Rule Determination Method, Device, Readable Storage Medium, and Electronic Device (業務規則確定方法、裝置、可讀存儲介質和電子設備)	Our Company	202111347804.5	Invention	PRC
44 . .	Dynamic Installation File Method and Device, Computer Device, and Readable Storage Medium (動態安裝文件方法及裝置、計算機裝置和可讀存儲介質)	Our Company	202211234668.3	Invention	PRC
45 . .	Business Data Flow Processing Method, Processing Device, and Readable Storage Medium (業務的數據流的處理方法、處理裝置和可讀存儲介質)	Our Company	202211389763.0	Invention	PRC
46 . .	Method for Modifying Business Documents, Modification Device, and Storage Medium (業務單據的變更方法、變更裝置和存儲介質)	Our Company	202111028048.X	Invention	PRC
47 .	Text and Image Processing Method, Processing Apparatus, Processing System, and Readable Storage Medium (文本圖像處理方法、 處理裝置、處理系統及可讀存儲介質)	Our Company	202211301601.7	Invention	PRC
48 .	Data Processing Method, Apparatus, Readable Storage Medium, and Data System (數據處理 方法、裝置、可讀存儲介質和數據系統)	Our Company	202211534146.5	Invention	PRC

No.	Patent	Patent Owner	Registration Number	Patent Category	Place of Registration
49 . .	Robot Control Method, Control System, and Readable Storage Medium (機器人控制方法、控制系統和可讀存儲介質)	Our Company	202011394990.3	Invention	PRC
50 . .	Data Transmission Method, Data Transmission Device, and Readable Storage Medium (數據傳輸方法、數據傳輸裝置和可讀存儲介質)	Our Company	202011493842.7	Invention	PRC

Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Software name	Place of Registration	Registered Owner
1. . .	Yonyou iuap Application Development Platform (用友iuap應用構建平台)	PRC	Our Company
2. . .	Yonyou Business Innovation Platform (用友商業創新平台)	PRC	Our Company
3. . .	Yonyou Cloud Platform Open Platform (用友雲平台開放平台)	PRC	Our Company
4. . .	Yonyou Cloud Market System (用友雲市場系統)	PRC	Our Company
5. . .	Yonyou Cloud HIS System (用友雲HIS系統)	PRC	Our Company
6. . .	Yonyou iuap Chain Tracking Software (用友iuap鏈路追蹤軟件)	PRC	Our Company
7. . .	Yonyou Scrap Steel Intelligent Grading System (用友廢鋼智能判級系統)	PRC	Our Company
8. . .	Yonyou Smart Assistant System (用友智多星智能助理系統)	PRC	Our Company
9. . .	NC Cloud Large Enterprise Digitalization Platform (NC Cloud大型企業數字化平台)	PRC	Our Company
10 . .	YonBIP Planning and Budgeting System (YonBIP計劃預算系統)	PRC	Our Company
11 . .	YonBIP Multi-dimensional Reporting and Consolidation System (YonBIP多維報告與合併系統)	PRC	Our Company
12 . .	Yonyou BIP Intelligent Factory Software (用友BIP智能工廠軟件)	PRC	Our Company

No.	Software name	Place of Registration	Registered Owner
13 . .	Yonyou YonBIP Flagship Shared Service Platform (用友YonBIP旗艦版共享服務平台)	PRC	Our Company
14 . .	YonBIP Global Treasury System (YonBIP全球司庫系統)	PRC	Our Company
15 . .	Yonyou Business Innovation Platform (Advanced Edition) (用友商業創新平台(高級版))	PRC	Our Company
16 . .	Yonyou YonSuite Cloud Service System for Growing Enterprises (用友YonSuite成長型企業雲服務系統)	PRC	Our Company
17 . .	Yonyou Enterprise Profile Platform (用友企業畫像平台)	PRC	Our Company
18 . .	Yonyou Business Innovation Platform (Flagship Edition) (用友商業創新平台(旗艦版))	PRC	Our Company
19 . .	Yonyou Business Innovation Platform Progress Management System (Advanced Edition) (用友商業創新平台進度管理系統(高級版))	PRC	Our Company
20 . .	Yonyou Business Innovation Platform Investment Management System (Advanced Edition) (用友商業創新平台投資管理系統(高級版))	PRC	Our Company
21 . .	Yonyou Business Innovation Platform Project Management System (Advanced Edition) (用友商業創新平台項目管理系統(高級版))	PRC	Our Company
22 . .	Yonyou Business Innovation Platform Investment and Financing Management System (Advanced Edition) (用友商業創新平台投融建管營系統(高級版))	PRC	Our Company
23 . .	Yonyou Business Innovation Platform Asset Management System (Advanced Edition) (用友商業創新平台資產管理系統(高級版))	PRC	Our Company
24 . .	Yonyou YonBIP Distributed Intelligent Logistics System (用友YonBIP分佈式智能物流系統)	PRC	Our Company
25 . .	Yonyou Multi-Dimensional Database System (用友多維數據庫系統)	PRC	Our Company
26 . .	Yonyou Development Software (友開發軟件)	PRC	Our Company
27 . .	Yonyou BIP Data Application Service System (用友BIP數據應用服務系統)	PRC	Our Company
28 . .	YonCloud Test YCT – Automated Testing Platform (友雲測YCT–自動化測試平台)	PRC	Our Company
29 . .	YonBusiness Innovation Platform Project Management System (Flagship Edition) (友商業創新平台項目管理系統(旗艦版))	PRC	Our Company
30 . .	Yonyou Global Trade Cloud System (用友全球貿易雲系統)	PRC	Our Company

No.	Software name	Place of Registration	Registered Owner
31 . .	Yonyou Digital Intelligence Business Innovation Platform (Flagship Edition) (用友數智商業創新平台(旗艦版))	PRC	Our Company
32 . .	Yonyou BIP Domestic Human Resources Management System (用友BIP國產化人力資源管理系統)	PRC	Our Company
33 . .	Yonyou BIP Intelligent Contract Assistant (Agent) System (用友BIP智能合同助理(智能體)系統)	PRC	Our Company
34 .	Yonyou Digital Intelligence Business Innovation Platform (Super Edition) (用友數智商業創新平台(超級版))	PRC	Our Company
35 .	Yonyou Business Innovation Platform Asset Management System (Flagship Edition) (用友商業創新平台資產管理系統(旗艦版))	PRC	Our Company

Domain Names

As of the Latest Practicable Date, we owned the following domain name, which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner
1	yonyoucloud.com	Our Company
2	yonyou-developer.com	Our Company
3	yonsuite.com	Our Company
4	yybip.com	Our Company
5	diwork.com	Our Company
6	yonyouceo.com	Our Company
7	yonisv.com	Our Company
8	yonyou.com	Our Company
9	yonyougov.top	Yonyou Government Affairs
10 . . .	seentao.com	Seentao Tech
11 . . .	uf-tobacco.com	Xiamen Yonyou Tobacco
12 . . .	hotjob.cn	Dayee Cloud
13 . . .	chanjet.com	Chanjet
14 . . .	yonyouauto.com	Yonyou Auto
15 . . .	ucheshang.com	Yonyou Auto
16 . . .	imfbp.com	Yonyou Fintech

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights that were material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

Disclosure of Interests of Directors and Chief Executive

To the best knowledge of our Directors, saved as disclosed below, immediately following the completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company or treasury Shares from the Latest Practicable Date to the [**REDACTED**]), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Interests in Shares of our Company

Name	Position	Nature of Interest	Number and description of Shares	Approximate % of the A Shares immediately after the [REDACTED][(1)]	Approximate % of the issued Shares immediately after the [REDACTED][(1)]
Mr. Wang	Chairperson of the Board, executive Director and president	Interest in a controlled corporation[(2)]	1,421,079,511 A Shares	[41.59]	[**REDACTED**]
		Interest in treasury Shares[(3)]	21,855,792 A Shares	[0.64]	[**REDACTED**]
Mr. GUO Xinping ("**Mr. Guo**")	Vice chairperson of the Board and non-executive Director	Interest in a controlled corporation[(4)]	128,080,000 A Shares	[3.75]	[**REDACTED**]
Mr. WU Zhengping ("**Mr. Wu**")	Executive Director and chief financial officer	Beneficial owner	1,867,450 A Shares	[0.05]	[**REDACTED**]
		Interest in a controlled corporation[(5)]	80,361,271 A Shares	[2.35]	[**REDACTED**]
Mr. GENG Fan ("**Mr. Geng**") . . .	Executive Director	Beneficial Owner[(6)]	52,500 A Shares	[0.002]	[**REDACTED**]

Notes:

(1) Assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company from the Latest Practicable Date to the [**REDACTED**].

(2) For details of the interest held by Mr. Wang as of the Latest Practicable Date, see "Substantial Shareholders."

(3) As of the Latest Practicable Date, there are 21,855,792 A Shares repurchased and held in our Company's stock repurchase account. Mr. Wang, who controls more than one-third of the voting rights at the general meetings of our Company would be taken to have an interest in such repurchased A Shares held by our Company.

(4) As of the Latest Practicable Date, Shanghai Yibei Management Consulting Co., Ltd. (上海益倍管理諮詢有限公司) ("**Shanghai Yibei**") was owned as to 90% by Mr. Guo. Accordingly, Mr. Guo was deemed to be interested in the A Shares held by Shanghai Yibei.

(5) As of the Latest Practicable Date, Gongqingcheng Youfu Investment Management Partnership Enterprise (Limited Partnership) (共青城優富投資管理合夥企業(有限合夥)) ("**Gongqingcheng Youfu**") was owned as to 80% by Mr. Wu. Accordingly, Mr. Wu was deemed to be interested in the A Shares held by Gongqingcheng Youfu.

(6) Including 52,500 Share Incentives (as defined below) that have been granted to Mr. Geng yet unvested under the 2023 Employee Stock Ownership Plan.

Interests in Our Associated Corporations

Name	Position	Associated Corporation	Nature of Interest	Approximate % of shareholding
Mr. Wu	Executive Director and chief financial officer	Yonyou Happiness Capital Management Limited (北京用友幸福投資管理有限公司)[(1)]	Beneficial owner	15.0

Note:

(1) As of the Latest Practicable Date, Yonyou Happiness Capital Management Limited was a subsidiary of our Company.

Disclosure of Interests of Substantial Shareholders

Interests in the Shares of our Company

Save as disclosed in the section headed "Substantial Shareholders" in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of our Company.

Interests in our Company's subsidiaries

As of the Latest Practicable Date, to the best knowledge of our Directors, the following persons or entities (other than members of our Group, the Directors or chief executive of our Company), as the case may be, were interested in 10% or more of the voting right at general meetings of our subsidiaries:

Members of our Group	Name of substantial shareholder	Approximate % of voting right held by the substantial shareholder
Yonyou Happiness Capital Management Limited (北京用友幸福投資管理有限公司)	Beijing Happiness Enjoyment Management Consulting Center (Limited Partnership) (北京幸福樂享管理諮詢中心(有限合夥))	25.00
Beijing Ufida Happiness Lianchuang Investment Center (L.P.) (北京用友幸福聯創投資中心(有限合夥))	Beijing Guoke Ruifu Equity Investment Fund (Limited Partnership) (北京國科瑞孚股權投資基金(有限合夥))	37.50
Beijing UFIDA Happiness Yuanchuang Entrepreneurship Investment Center (Limited Partnership) (北京用友幸福源創創業投資中心(有限合夥))	Beijing Service Center For Small and Medium Enterprise (北京市中小企業服務中心)	30.00
Shanghai UFIDA Industrial Investment Management Co., Ltd. (上海用友產業投資管理有限公司)	Beijing Youchuang Xinglan Enterprise Management Co., Ltd. (北京友創星瀾企業管理有限公司)	30.00
Qingdao UFIDA Cloud Enterprise Service Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (青島用友雲企服創業投資合夥企業(有限合夥))	Qingdao Academician Port Industrial Investment Fund Partnership Enterprise (Limited Partnership) (青島院士港產業投資基金合夥企業(有限合夥))	24.93
Xiamen Yonyou Tobacco	XIAO Hui (肖暉)	14.59
You Tai An Insurance Brokers Co., Ltd. (友太安保險經紀有限公司)	Mintai'an Holdings (Shenzhen) Group Co., Ltd. (民太安控股(深圳)集團股份有限公司)	19.60
Yonyou Medical and Health Information System Co., Ltd. (用友醫療衛生信息系統有限公司)	Beijing Xieli Jincheng Investment Management Center (Limited Partnership) (北京協力錦程投資管理中心(有限合夥))	20.00
UFIDA Construction Cloud Service Co., Ltd. (用友建築雲服務有限公司)	China State Construction Engineering Corporation Limited (中國建築股份有限公司)	22.50

Members of our Group	Name of substantial shareholder	Approximate % of voting right held by the substantial shareholder
	China Construction Third Engineering Bureau Company Limited (中國建築第三工程局有限公司)	22.50
Shenyang Dianju Technology Co., Ltd. (瀋陽點聚科技有限公司)	Shenyang Huijie Shi Supply Chain Management Co., Ltd. (瀋陽慧傑仕供應鏈管理有限公司)	49.00
Wulumuqi Dianju Information Technology Co., Ltd. (烏魯木齊點聚信息技術有限公司)	XU Qinglei (許慶磊)	45.00
Nanjing Certificate Authority Co., Ltd. (南京數字認證有限公司)	Nanjing Zidong Rongchuang Information Service Co., Ltd. (南京紫東融創信息服務有限公司)	33.00

Particulars of Service Contracts

Our Company [has entered into] a service agreement with each of the Directors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observations of Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective effective date of his/her respective effective date of his/her appointment; (b) each of the agreements is subject to termination in accordance with their respective terms.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors' remuneration

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Five Highest Paid Individuals" and Notes 10 and 11 to the Accountants' Report as set out in Appendix I.

Disclaimers

Save as disclosed in this document, none of our Directors or any of the parties listed in "— Other Information — Consents of Experts" below is:

(i) interested, directly or indirectly, in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business.

SHARE INCENTIVE SCHEME

2023 Employee Stock Ownership Plan

The following is a summary of the principal terms of the 2023 Employee Stock Ownership Plan of our Company. The Share Incentives (as defined below) to be granted under the 2023 Employee Stock Ownership Plan upon the [**REDACTED**], if any, will be funded solely by existing A Shares as referred to under Rule 17.01(1)(b) of the Listing Rules without involving any issuance of new Shares. Therefore, upon the [**REDACTED**], the 2023 Employee Stock Ownership Plan will constitute a share scheme under Chapter 17 of the Listing Rules subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

(i) Purpose

The purpose of the 2023 Employee Stock Ownership Plan is to:

(a) establish and improve a long-term and effective incentive and restraint mechanism for our Group, enhance employee motivation, attract and retain core backbone personnel, and promote the sustained, healthy and stable development of our Group; and

(b) improve the remuneration system and establish a benefit-sharing mechanism between employees of our Group and Shareholders, encouraging employees to achieve common growth of individual interests, Shareholder interests and corporate interests through value creation.

(ii) Eligible Participants

The eligible participants of the 2023 Employee Stock Ownership Plan include supervisors, senior management members, core management personnel and core employees of our Group who have material roles and impact on our Group's overall performance and medium to long-term development. The eligible participants receiving the restricted Shares as share incentives (the "**Share Incentives**") are holders under the 2023 Employee Stock Ownership Plan (the "**Holder(s)**").

(iii) Administration

The 2023 Employee Stock Ownership Plan is subject to the approval of the Shareholders. The plan is administered by a committee (the "**Management Committee**"), the members of which are elected by the Holders of the 2023 Employee Stock Ownership Plan. The Management Committee oversees the day-to-day management of the 2023 Employee Stock Ownership Plan and exercise shareholders' rights on behalf of the Holders.

(iv) Source of the Share Incentives

The Shares underlying the Share Incentives under the 2023 Employee Stock Ownership Plan are A Shares repurchased by our Company from the secondary market and held in our Company's special repurchase account. Each Holder of the 2023 Employee Stock Ownership Plan holds certain percentage of the interest in the 2023 Employee Stock Ownership Plan.

(v) Maximum number of A Shares and Individual Limit

The maximum number of A Shares underlying the Share Incentives under the 2023 Employee Stock Ownership Plan is 80,000,000.

The total number of A Shares held by all valid employee stock ownership plans of our Company shall not exceed 10% of our Company's total share capital, and the total number of A Shares corresponding to the Share Incentives granted to any Holder shall not exceed 1% of our Company's total share capital under the 2023 Employee Stock Ownership Plan.

(vi) Term

The term of the 2023 Employee Stock Ownership Plan is 84 months, commencing from the date when the 2023 Employee Stock Ownership Plan was approved by the Shareholders' general meeting and the date of the completion of the transfer of all A Shares underlying the first batch Share Incentives from our Company's repurchase account to the 2023 Employee Stock Ownership Plan (the "**Date of Transfer**").

Prior to the two months preceding the expiry of the 2023 Employee Stock Ownership Plan's duration, it may be extended, subject to approval by Holders representing two-thirds or more of the total Share Incentives granted attending the Holders' meeting and subsequent approval by the Board.

(vii) Vesting Period

The A Shares held by the 2023 Employee Stock Ownership Plan are subject to a lock-up period of 12 months, commencing from the Date of Transfer. After the expiry of the forgoing lock-up period, subject to attainment of performance targets and personal evaluation, the Holders' entitlement to the corresponding portion of A Shares held by the 2023 Employee Stock Ownership Plan will be vested in three tranches in the proportion of 30%, 35% and 35% on the first, second and third anniversary of the Date of Transfer, respectively.

The vested A Shares will (i) be transferred to the account of the relevant Holder, or (ii) be sold by the Management Committee and the proceeds will be distributed to the relevant Holder proportionately.

*(viii) **Purchase Price***

The purchase price for each A Share underlying the Share Incentives is RMB9.08, which represents 50% of the average trading price of the A Shares over the 20 trading days preceding the publication date of the draft 2023 Employee Stock Ownership Plan.

*(ix) **Share Incentives Granted under the 2023 Employee Stock Ownership Plan***

As of the Latest Practicable Date, the total number of A Shares held by the 2023 Employee Stock Ownership Plan was 18,747,278 A Shares, representing [**REDACTED**]% of the issued Shares (excluding the 21,855,792 A Shares held by our Company as treasury Shares) immediately following the completion of the [**REDACTED**] (assuming (i) the [**REDACTED**] is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). As of the Latest Practicable Date, 2,149 Holders, including one executive Director, namely Mr. GENG Fan, were granted Share Incentives under the 2023 Employee Stock Ownership Plan. As of the Latest Practicable Date, Mr. Geng held interests in 52,500 underlying A Shares pursuant to the 2023 Employee Stock Ownership Plan. No further Share Incentive will be granted pursuant to the 2023 Employee Stock Ownership Plan after the [**REDACTED**].

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, we were not aware of any litigation or arbitration proceedings of material importance pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations.

Joint Sponsors

The Joint Sponsors have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]. All necessary arrangements have been made enabling the H Shares to be admitted into [**REDACTED**].

Each of Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate fee of US$950,000 for acting as sponsors to our Company in connection with the [**REDACTED**].

Compliance Advisor

Our Company has appointed First Shanghai Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty charged on each of the purchaser and seller for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange."

Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
CMB International Capital Limited.	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined in the SFO)
CITIC Securities (Hong Kong) Limited . .	A licensed corporation to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities (as defined in the SFO)
Jingtian & Gongcheng	PRC Legal Advisors

Name	Qualification
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Ernst & Young	Certified Public Accountants

As of the Latest Practicable Date, save in connection with the [**REDACTED**], none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Promoters

Information of our promoters as of the time of our Company's conversion into a joint stock company in December 1999 is as follows:

No.	Name of promoters of our Company
1	Beijing Yonyou Tech
2	Yonyou Institute
3	Shanghai Yonyou Tech
4	Gongqingcheng Youfu
5	Shanghai Yibei

Within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, business position or prospects since March 31, 2026, being the date of our consolidated financial statements as set out in the Accountants' Report as set out in Appendix I to this document, and up to the date of this document.

Miscellaneous

Save as disclosed in the section headed "Financial Information" and this Appendix, in connection with the [**REDACTED**] or otherwise waived from disclosure pursuant to the waivers disclosed in the section headed "Waivers,"

(i) within the two years immediately preceding the date of this document, to the best of our knowledge,

  (a) neither our Company nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and

  (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(ii) no share or loan capital of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) there are no arrangements under which future dividends are waived or agreed to be waived;

(iv) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this document; and

(v) our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix VI — Statutory and General Information — Other Information — Consents of Experts;" and

(b) a copy of the material contracts referred to in "Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.yonyou.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the audited financial statements of our Group for the three years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026;

(d) the report from Ernst & Young on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisors in respect of certain matters of our Group in the PRC;

(f) the industry report prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview;"

(g) a copy of each of the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures together with their unofficial English translations;

(h) the material contracts referred to in "Appendix VI — Statutory and General Information — Further Information about Our Business — Summary of Material Contracts;"

(i) the written consents referred to in "Appendix VI — Statutory and General Information — Other Information — Consents of Experts;" and

(j) the service contracts referred to in "Appendix VI — Statutory and General Information — Further Information about Our Directors, Chief Executive and Substantial Shareholders — Particulars of Service Contracts."