This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your investment decision. There are risks associated with any investment. Some of the particular risks in investing in the **[REDACTED]** *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

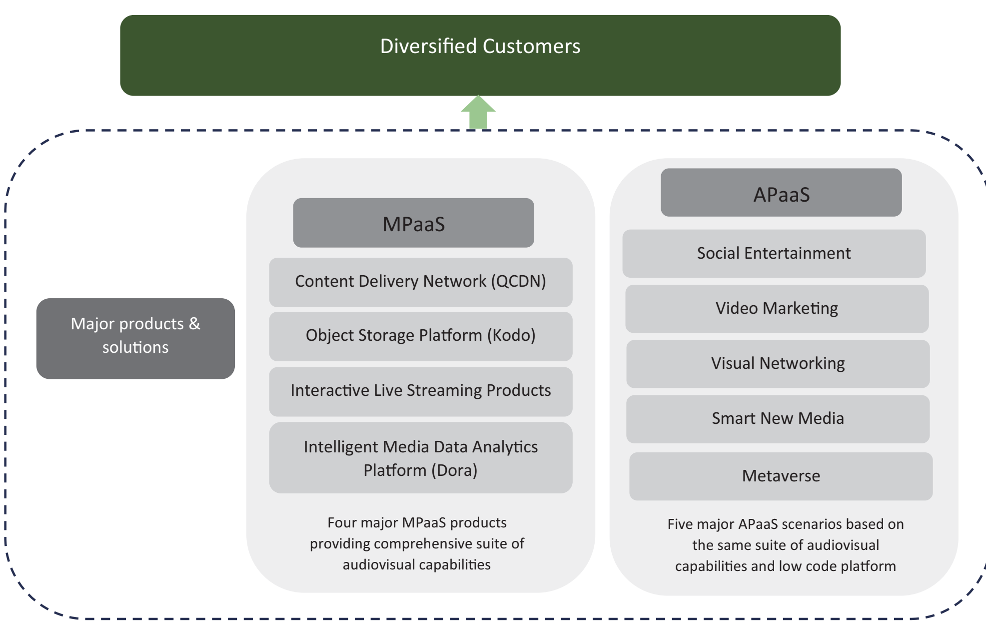
We provide audiovisual cloud service in China and our revenue accounted for 1.5% of the entire audiovisual cloud service market in 2023. We are the third largest audiovisual PaaS provider in China in terms of revenue in 2023, with a market share of 5.8%, and the second largest audiovisual APaaS provider in China in terms of revenue generated from APaaS in 2023 with a market share of 14.1%, according to iResearch. The cloud service market in China reached RMB513.7 billion in 2023. The cloud service market in China can be divided into audiovisual and non-audiovisual cloud services market by type of content or data managed. Audiovisual cloud services refers to the producing, storing, processing, distributing, analyzing, auditing, retrieving, and recommending unstructured audiovisual content in multi-media formats. Such audiovisual content includes audio recordings, short videos, live streaming videos, music and images. Non-audiovisual cloud services refer to other cloud services such as governmental cloud, retail and catering cloud and industrial cloud. Such content includes structured data, such as financial data, client contact lists, and other data with standardized tabular formats, as well as certain unstructured data unrelated to audiovisual content, such as texts, emails, documents, developed applications and programs, etc. Audiovisual cloud service market reached RMB91.5 billion and accounted for 17.8% of the total cloud service market in China in 2023, whereas PaaS market and APaaS market amounted to RMB22.9 billion and RMB2.0 billion and accounted for 25.0% and 2.2% of the entire audiovisual cloud service market in 2023, respectively.

PaaS is a computing service model by which cloud service providers offer a suite of hardware and software resources to their users via a platform, enabling the users to focus on writing codes, configuring the service metrics and monitoring of applications without the need to divert time and resources to the development and maintenance of the infrastructure underlying the platform, including maintenance of hardware, updates of operating system, data backup and recovery, internet security, disaster recovery, etc. Our MPaaS platform is a PaaS platform which has a primary focus on providing cloud services in connection with audiovisual content (primarily consisting of images, audio and video contents), encompassing object storage, content distribution, data processing and real-time interactive live streaming and covering the full cycle of audiovisual data collection, storage, processing, distribution and consumption.

APaaS is a computing service model by which cloud service providers offer a one-stop platform for users to develop, run and manage applications. Leveraging our MPaaS technologies, we further developed a proprietary low-code platform which achieves vertical integration from the underlying technology to high-level scenario-based functions. In short, by accessing our low code platform, our customers can choose the specific solution they want to develop, followed by simple and intuitive steps to configure the audiovisual functions embedded in the application, after which a packaged and ready-to-use solution will be available for immediate deployment, thus reducing the difficulty in the use and access to audiovisual products. Our APaaS solutions currently cover five major application scenarios, including (i) social entertainment, (ii) video marketing, (iii) visual networking, (iv) smart new media and (v) metaverse, which allow for quick deployment and easy expansion, which in turn significantly improves our customers' agility for scenario-based innovation and addresses the challenges posed by personalization of audiovisual content, multiple scenarios, and timeliness requirements.

OUR PRODUCTS AND SERVICES

Our major products and services include (1) MPaaS products encompassing a range of audiovisual solutions, including proprietary content delivery network which accelerates content delivery ("**QCDN**"), object storage platform which stores content ("**Kodo**"), interactive live streaming products which enable real-time streaming of audiovisual content and intelligent media data analytics platform which offer a wide array of data processing and analytic capabilities ("**Dora**"); and (2) APaaS solutions which are scenario-based audiovisual solutions based on our MPaaS capabilities and leveraging our low-code platform, primarily aimed to enable customers to gain quick access to different functionalities with simple steps of deployment to achieve their business aim. The following diagram illustrates our business model:



Our diversified customers: Our customers encompass a wide array of enterprises (such as application developing companies and SaaS companies) as well as individual developers. We have a strong customer coverage in terms of operating scales, from industry leaders to large-sized corporations, SMEs and individuals. Our products cater to different customer needs, from business enterprises with scenario-based demands and limited technical capabilities (which typically require our APaaS solutions) to sophisticated application developers with limited access to infrastructure resources (which typically require our MPaaS products).

Our MPaaS products: We mainly provide MPaaS products to our customers by way of discrete APIs and SDKs. Leveraging our MPaaS products, our customers are only required to write codes to connect to our platform through which they can deploy specific audiovisual capabilities via discrete APIs/SDKs. The complexity of the codes would depend on the extent of audiovisual capabilities required. After customizing these parameters, our customers can have these audiovisual capabilities embedded in their applications and they will only need to manage their applications without the need to maintain the underlying infrastructure.

Our APaaS solutions: We mainly provide APaaS solutions to our customers in the form of scenario-based solutions. We combine our MPaaS capabilities with the scenario-based knowhow relevant to our customers and, in conjunction with our low code platform, package the APIs/SDKs (corresponding to the underlying audiovisual capabilities) into easy-to-access and high-customized APaaS solutions which our customers can deploy directly. Our APaaS solutions share the same suite of audiovisual capabilities (including but not limited to collection, storage, processing, distribution, analytics) as our MPaaS products. Our APaaS solutions allow our customers to customize and develop their applications through an intuitive step-by-step approach, which further reduce the technical barriers.

Competitiveness of Our Products

Our MPaaS products leverage a range of audiovisual technologies, including RTC, VoD, live streaming, storage and content delivery, as well as a range of AI technologies, including intelligent vision, intelligent voice, intelligent editing, industry algorithms, content security and business security. Our technologies form the cornerstone of the competitive advantages of our MPaaS products. For example, our QCDN product has achieved extensive network coverage, comprehensive node monitoring and real-time intelligent allocation, providing our customers with low-latency cloud services. Our Kodo product support both centralized and edge storage as well as multi-cloud deployment, which enable our customers to conveniently store and manage large volume of data. Our Kodo is able to achieve high data reliability with a redundancy rate of 1.14 on our public cloud and 1.10 on our private cloud. Our interactive live streaming products offer end-to-end real-time communication solution for our customers with low latency, high stability and high availability. Finally, our Dora product offers a wide array of data processing and analytics capabilities, enabling our users to process massive volume of audiovisual content on a daily basis. For details, please refer to the section headed “Business – Key Operating Metrics” in this document. Our MPaaS business was our largest revenue contributor during the Track Record Period.

Building upon our MPaaS technologies, we further developed a proprietary low-code platform which consolidates different scenario-based functionalities into customized solutions for our customers through simple and intuitive setup, reducing the difficulty in the use and access to audiovisual products. Our APaaS solutions allow for quick deployment and easy extension, which significantly improves our customers' agility for scenario-based innovation and addresses the challenges posed by personalization of audiovisual content, multiple scenarios, and timeliness requirements. According to iResearch, the audiovisual APaaS market in China started to commercialize in scale in 2021 and has been experiencing rapid growth. After we decided to officially launch our APaaS business in line with industry development and market demand in 2021, the number of our APaaS paying customers increased from 1,319 in 2021 to 1,967 in 2022, and further increased to 2,597 in 2023. After merely one year of ramp-up, we ranked second in the audiovisual APaaS market in China in terms of revenue in 2022 with a market share of 11.9%, according to iResearch. Our market share further increased to 14.1% in 2023, consolidating our position as the second largest audiovisual APaaS service provider in China. APaaS provides platform-based services based on application scenarios by packaging corresponding tools and functions. According to iResearch, the audiovisual APaaS market size in China was RMB2.0 billion in 2023. The audiovisual APaaS market size is expected to reach RMB14.4 billion in 2028, with a CAGR of 48.6%.

OUR CUSTOMERS AND SUPPLIERS

We have a broad base of customers across various industries including, among others, pan-entertainment, social networking, healthcare, e-commerce, education, media, financial services, automotive, telecommunications and intelligent manufacturing. Our revenue generated from our largest customer for the three years ended December 31, 2023 and the three months ended March 31, 2024 accounted for 11.3%, 8.1%, 11.8% and 16.1%, respectively, of our revenue during the same periods. Our revenue generated from our five largest customers for each year/period during the Track Record Period accounted for 22.7%, 25.5%, 34.3% and 38.5%, respectively, of our revenue during the same periods. During the Track Record Period, save for Customer-Supplier Group D, being an associate of Taobao China (our substantial shareholder), all of our other five largest customers were Independent Third Parties. Save for Taobao China, none of our Directors, their close associates or any of our shareholders (who, to the knowledge of the Directors, own more than 5% of our issued share capital) had any interest in any of our five largest customers for each year during the Track Record Period and as of the Latest Practicable Date. For our sales and marketing strategies and our pricing models, please refer to the section headed "Business — Sales and Marketing" in this document.

Our suppliers primarily consist of enterprises in the cloud technology industry that provide (i) network and bandwidth services, (ii) IDC services and (iii) server and storage services. Our transaction amounts with our largest supplier for the three years ended December 31, 2023 and the three months ended March 31, 2024 accounted for 36.1%, 16.3%, 5.9% and 8.0%, respectively, of our total purchase during those periods. Our transaction amounts with our five largest suppliers for each year/period during the Track Record Period accounted for 63.5%, 52.4%, 25.7% and 28.6%, respectively, of our total purchase during the same periods. During the Track Record Period, save for Customer-Supplier Group D, being an associate of Taobao China (our substantial shareholder), all of our other five largest suppliers for each year were Independent Third Parties. Save for Taobao China, none of our Directors, their close associates or any of our shareholders (who, to the knowledge of the Directors own more than 5% of our issued share capital) had any interest in any of our five largest suppliers for each year during the Track Record Period and as of the Latest Practicable Date.

OUR COMPETITIVE STRENGTHS AND DEVELOPMENT STRATEGIES

We believe that the following competitive advantages have contributed to our success and will drive our future growth: (i) China's third largest audiovisual PaaS provider and second largest audiovisual APaaS provider; (ii) one-stop scenario-based audiovisual solutions with comprehensive capabilities and strong scalability; (iii) diverse application scenarios support our commercial potential; (iv) strong integrated audiovisual technology and low-code platform development capabilities; and (v) experienced and insightful management team and innovative R&D team.

We plan to implement the following strategies to further develop our business: (i) develop and expand our customer base by continuing to penetrate and deepen our presence in major scenarios; (ii) accelerate overseas business expansion to create new business growth points; (iii) continuously strengthen R&D investment, build AIGC capabilities and iterate and improve our low-code platform; and (iv) seek strategic investments and acquisitions.

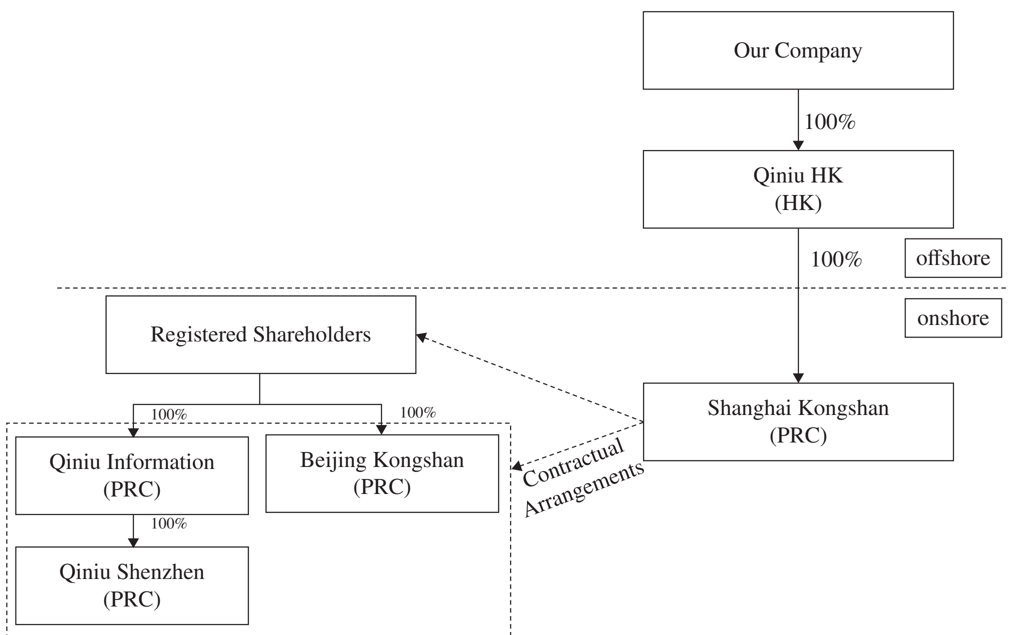
COMPETITION

The market competition of the audiovisual PaaS industry is intense. We face competition in every major aspect of our business. We compete with other audiovisual PaaS service providers in the PRC mainly on product functionality and scope, performance, service scalability and reliability, technical strengths, marketing and sales capabilities, user experience, pricing, brand awareness and reputation. In addition, emerging and enhanced technologies are likely to further intensify competition of our industry. In terms of revenue in 2023, we are the third largest audiovisual PaaS provider and the second largest audiovisual APaaS provider in the PRC, with a market share of 5.8% and 14.1%, respectively. For details, see the paragraphs headed "Industry Overview — Competitive Landscape" and "Business — Competition" in this document.

The audiovisual PaaS service market is in the phase of rapid expansion with new entrants join in the market and therefore the market share of top players is expected to gradually diminish as the market size increases. According to iResearch, the aggregated market share of Top 5 audiovisual PaaS service providers decreased from 46.5% in 2019 to 39.4% in 2023, representing a 7.1% market share decrease over the past five years, despite an increase in the aggregated revenue of Top 5 audiovisual PaaS service providers during the same period.

CONTRACTUAL ARRANGEMENTS

Our provision of cloud services including clouding computing, storage and delivery are subject to foreign investment prohibition under the relevant PRC laws and regulations. It was not viable for us to hold the Consolidated Affiliated Entities directly or indirectly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment prohibition, we would hold the interest and gain effective control over the Consolidated Affiliated Entities through Shanghai Kongshan under the Contractual Arrangements. Pursuant to the Contractual Arrangements, Shanghai Kongshan has acquired effective control over the financial and operational policies of the Consolidated Affiliated Entities and has become entitled to all the economic benefits derived from each of the Consolidated Affiliated Entities' operations. Please see below a simplified diagram summarizing the Contractual Arrangements. For details, please refer to "Contractual Arrangements" in this document.



[REDACTED] INVESTMENTS

From 2012 to 2020, we have completed several rounds of **[REDACTED]** Investments, for which our Company issued series A preferred shares, series B preferred shares, series C-1 preferred shares, series C-2 preferred shares, series D preferred shares, series E-1 preferred shares, series E-2 preferred shares, series F preferred shares and series F-1 preferred shares of our Company to the relevant **[REDACTED]** Investors. Our **[REDACTED]** Investors comprise MPCs, Qiming Funds, CBC, FG Venture, Golden Valley, Harvest Yuanxiang, Shanghai ZJ, Shanghai ZJ Venture, Titanium Ventures, Taobao China, Magic Logistics, Shanghai Shentai, BOCOM Asset Management, BOCOM Fund, Jumbo Sheen and EverestLu. For details, please refer to "History, Development and Corporate Structure — **[REDACTED]** Investments" in this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Xu controlled approximately 17.9576% of our total issued share capital through Dream Galaxy. Immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no Share are issued under the **[REDACTED]** Share Plan), Mr. Xu, through Dream Galaxy, will exercise the voting rights of approximately **[REDACTED]**% of shareholding interest in our Company.

Pursuant to consent letters executed in April 2024 and confirmation letters executed in June 2024, Dream Galaxy was conferred by the Consenting Shareholders to exercise their respective voting rights attached to **[REDACTED]** Shares held by them, representing approximately **[REDACTED]**% of shareholding interest in our Company immediately following the completion of the **[REDACTED]**. The relevant voting rights in concern under the voting proxy arrangements will be conferred to Dream Galaxy upon completion of the **[REDACTED]**. See "History, Development and Corporate Structure – Voting Proxy Arrangements" for details.

Therefore, immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no Shares are issued under the **[REDACTED]** Share Plan), Mr. Xu, through Dream Galaxy, a company wholly owned by Mr. Xu, by virtue of his shareholding together with the voting proxy conferred upon him by the Consenting Shareholders as mentioned above, will exercise the voting rights attached to **[REDACTED]** Shares in aggregate, representing approximately **[REDACTED]**% of shareholding interest in our Company. Therefore, Dream Galaxy and Mr. Xu will be our Controlling Shareholders after the **[REDACTED]**.

Please see the sections headed "Relationship with Our Controlling Shareholders" and "Substantial Shareholders" for details of our relationship with and the shareholding interest of our Controlling Shareholders.

CONTINUING CONNECTED TRANSACTIONS

During the Track Record Period, we have provided PaaS solution services to Alibaba Cloud Computing Co., Ltd. ("**Alibaba Cloud Computing**") and we have also purchased cloud services and electronic equipments from Alibaba Cloud Computing. Since Alibaba Cloud Computing is an associate of Taobao China, one of our substantial shareholders, the transactions between our Group and Alibaba Cloud Computing will constitute continuing connected transactions of our Company after the **[REDACTED]**. We entered into a framework agreement with Alibaba Cloud Computing on June 15, 2023 to govern our sales to and purchases from Alibaba Cloud Computing taking effect upon the **[REDACTED]**. The initial term of such framework agreement will commence on the **[REDACTED]** and expire on December 31, 2025.

Further, in order to conduct the Relevant Business in compliance with applicable PRC laws and regulations, Shanghai Kongshan, our wholly-owned subsidiary, has entered into the Contractual Arrangements with Qiniu Information, Beijing Kongshan, Qiniu Shenzhen and the Registered Shareholders. Given that the Registered Shareholders, namely Mr. Xu and Mr. Lyu, are connected persons of our Company, the transactions contemplated under the Contractual Arrangements will constitute continuing connected transactions of our Company after the **[REDACTED]**.

For details, please refer to "Continuing Connected Transactions" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The table below includes, for the periods indicated, selected financial data derived from our consolidated statements of profit or loss and consolidated statements of financial position, the details of which are set forth in the Accountants' Report in Appendix I to this document, and these should be read in conjunction with the historical financial information in the Accountants' Report in Appendix I to this document, including the related notes.

Summary Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss, with line items in absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000*	*% of revenue*	*RMB'000* (unaudited)	*% of revenue*	*RMB'000*	*% of revenue*
Revenue	1,471,010	100.0	1,147,290	100.0	1,333,991	100.0	270,890	100.0	342,373	100.0
Cost of sales	(1,179,834)	(80.2)	(918,649)	(80.1)	(1,053,746)	(79.0)	(221,372)	(81.7)	(271,833)	(79.4)
Gross profit	**291,176**	**19.8**	**228,641**	**19.9**	**280,245**	**21.0**	**49,518**	**18.3**	**70,540**	**20.6**
Other income and gains	17,716	1.2	19,543	1.7	30,854	2.3	4,376	1.6	370	0.1
Selling and marketing expenses	(193,016)	(13.1)	(147,521)	(12.9)	(139,065)	(10.4)	(34,985)	(12.9)	(27,442)	(8.0)
Administrative expenses	(119,528)	(8.1)	(111,175)	(9.7)	(135,824)	(10.2)	(31,587)	(11.7)	(30,815)	(9.0)
Research and development costs	(143,357)	(9.7)	(128,727)	(11.2)	(128,034)	(9.6)	(28,039)	(10.4)	(33,590)	(9.8)
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	37,238	2.5	30,912	2.7	(54,682)	(4.1)	4,215	1.6	(8,864)	(2.6)
Fair value losses on convertible redeemable preferred shares	(96,467)	(6.6)	(83,810)	(7.3)	(156,087)	(11.7)	(57,312)	(21.2)	(111,528)	(32.6)
Impairment losses on financial assets	(4,763)	(0.3)	(8,233)	(0.7)	(11,757)	(0.9)	(1,893)	(0.7)	(4,396)	(1.3)
Other expenses	(2,659)	(0.2)	(3,636)	(0.2)	(1,596)	(0.1)	(404)	(0.1)	(144)	(0.0)
Finance costs	(6,046)	(0.4)	(8,746)	(0.8)	(8,162)	(0.6)	(2,218)	(0.8)	(2,153)	(0.6)
Loss before tax	(219,706)	(14.9)	(212,752)	(18.5)	(324,108)	(24.3)	(98,329)	(36.3)	(148,022)	(43.2)
Loss for the year/period	(219,706)	(14.9)	(212,752)	(18.5)	(324,108)	(24.3)	(98,329)	(36.3)	(148,022)	(43.2)

NON-IFRS MEASURE

To supplement our consolidated financial statements presented in accordance with IFRS, we also use non-IFRS measure, namely adjusted net loss, as an additional financial measure, which is not required by or presented in accordance with IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial conditions as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as profit/(loss) for the year/period excluding the effects of fair value changes on convertible redeemable preferred shares, share-based payments and **[REDACTED]** expenses. Fair value changes on convertible redeemable preferred shares represent changes in the fair value of the convertible redeemable preferred shares issued by us to **[REDACTED]** Investors. The convertible redeemable preferred shares will be automatically converted into ordinary shares upon completion of the **[REDACTED]** and we do not expect to recognize any further fair value changes on convertible redeemable preferred shares after the **[REDACTED]**. Share-based payments are non-cash in nature and are employee related expenses arising from grant of share options under our share incentive plan. **[REDACTED]** expenses are expenses relating to the **[REDACTED]**. The adjustments have been consistently made during the Track Record Period. The following table sets forth the reconciliation of our net loss to adjusted net loss (non-IFRS measure) for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* (unaudited)	*(RMB'000)*
Reconciliation of our net loss for the year/period to adjusted net loss (non-IFRS measure):					
Loss for the year/period	(219,706)	(212,752)	(324,108)	(98,329)	(148,022)
Adjusted for:					
Fair value losses on convertible redeemable preferred shares	96,467	83,810	156,087	57,312	111,528
Share-based payments	17,539	10,283	33,830	4,814	4,735
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Non-IFRS measure:					
Adjusted net loss	**(105,700)**	**(118,659)**	**(115,599)**	**(30,741)**	**(24,241)**

The following table sets forth a breakdown of our revenue by service or product type in absolute amounts and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
MPaaS	1,369,641	93.1	874,997	76.3	974,507	73.1	186,350	68.8	249,442	72.9
APaaS	24,901	1.7	194,013	16.9	281,359	21.1	64,074	23.7	83,238	24.3
Others	76,468	5.2	78,280	6.8	78,125	5.8	20,466	7.5	9,693	2.8
Total	**1,471,010**	**100.0**	**1,147,290**	**100.0**	**1,333,991**	**100.0**	**270,890**	**100.0**	**342,373**	**100.0**

Gross Profit and Gross Margin

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

	Year ended December 31,						Three months ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*Gross margin (%)*	*RMB'000*	*Gross margin (%)*	*RMB'000*	*Gross margin (%)*	*RMB'000*	*Gross margin (%)*	*RMB'000*	*Gross margin (%)*
							(unaudited)			
Gross profit										
– MPaaS	244,773	17.9	151,331	17.3	188,541	19.3	29,033	15.6	45,289	18.2
– APaaS	6,490	26.1	55,000	28.3	84,554	30.1	18,907	29.5	24,272	29.2
– Others	39,913	52.2	22,310	28.5	7,150	9.2	1,578	7.7	979	10.1
Total	**291,176**	**19.8**	**228,641**	**19.9**	**280,245**	**21.0**	**49,518**	**18.3**	**70,540**	**20.6**

Our total revenue decreased by 22.0% from RMB1,471.0 million in 2021 to RMB1,147.3 million in 2022, primarily due to the decrease in revenue generated from our MPaaS products, partially offset by the increase in revenue generated from APaaS solutions attributable to our expanding APaaS business in line with industry development and market demand. Since we officially launched APaaS business in September 2021, we strategically focused on the operations of our APaaS business. Revenue from our MPaaS products decreased by 36.1% from RMB1,369.6 million in 2021 to RMB875.0 million in 2022, attributable to decreases in revenue from Kodo, QCDN, interactive live streaming products and Dora. Particularly, revenue from Kodo decreased from RMB650.8 million in 2021 to RMB320.4 million in 2022 primarily because we made a decision to scale down our all-in-one server business, for which we procure all-in-one servers for some of our private cloud customers, because the COVID-19 resurgence in 2022 caused a shortage in supply of certain semiconductor chips which are key components of our all-in-one servers, and therefore resulted in a serious supply chain disruption to our all-in-one server business. Revenue from our APaaS solutions increased by 679.1% from RMB24.9 million in 2021 to RMB194.0 million in 2022, attributable to increases in revenue from all scenarios.

Our gross profit decreased by 21.5% from RMB291.2 million in 2021 to RMB228.6 million in 2022. Our overall gross margin remained relatively stable at 19.8% and 19.9% in 2021 and 2022, respectively. Our gross margin of MPaaS remained relatively stable at 17.3% in 2022 compared to 17.9% in 2021. Our gross margin of APaaS increased from 26.1% in 2021 to 28.3% in 2022 primarily because after the initial ramp-up period, we were able to meet higher demand from the APaaS market and provide value-added services, including packaged services and a low-code platform.

Our total revenue increased by 16.3% from RMB1,147.3 million in 2022 to RMB1,334.0 million in 2023, primarily due to the increase in revenue generated from our APaaS solutions attributable to more customer demands and MPaaS products primarily attributable to the growth of QCDN business. Revenue from our MPaaS products increased by 11.4% from RMB875.0 million in 2022 to RMB974.5 million in 2023, attributable to increases in revenue from QCDN and Dora, partially offset by the decreases in revenue from Kodo and interactive live streaming products. Revenue from our APaaS solutions increased by 45.0% from RMB194.0 million in 2022 to RMB281.4 million in 2023, mainly attributable to the increase in revenue from our video marketing, and to a lesser extent, our visual networking scenario solutions.

Our gross profit increased by 22.6% from RMB228.6 million in 2022 to RMB280.2 million in 2023. Our overall gross margin increased from 19.9% in 2022 to 21.0% in 2023. Our gross margin of MPaaS increased from 17.3% in 2022 to 19.3% in 2023 primarily because (i) we did a restructuring of our infrastructure layout and relocated some of our servers, resulting in the improved efficiency of our QCDN and Kodo business, and (ii) we scaled down our business with some customers, particularly Customer A, with whom we had less favorable commercial terms compared with other customers, such as Customer H, Customer-Supplier Group I and Customer-Supplier Group J which contributed significantly to our revenue in 2023. Customer A, Customer H, Customer-Supplier Group I and Customer-Supplier Group J contributed to a total of 13.9%, 22.7%, 27.6% and 28.0% of our revenue in 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. Our gross margin of APaaS increased from 28.3% in 2022 to 30.1% in 2023 primarily because (i) we were able to meet higher demand from the APaaS market and provide value-added services, including packaged services and a low-code platform, and (ii) we benefited from the improved efficiency as a result of the restructuring of our infrastructure layout and relocation of our servers. Our gross margin of other business decreased from 28.5% in 2022 to 9.2% in 2023 as we made the strategic adjustment to scale down our DPaaS business, despite its relatively high gross margin as DPaaS solutions are typically sold in the form of dedicated and technical software deployed on a private cloud built for our customers. We scaled down DPaaS business as it is no longer our focus and incurred high and recurring research and development costs which is not beneficial to our profitability in the long term.

Our total revenue increased by 26.4% from RMB270.9 million in the three months ended March 31, 2023 to RMB342.4 million in the three months ended March 31, 2024, primarily due to the increase in revenue generated from our MPaaS products, in particular QCDN and Kodo, and the increase in revenue generated from our APaaS solutions attributable to more customer demands, partially offset by the decrease in revenue generated from other services as a result of decreases in DPaaS and internet data hosting services. Revenue from our MPaaS products increased by 33.9% from RMB186.4 million in the three months ended March 31, 2023 to RMB249.4 million in the three months ended March 31, 2024, attributable to increases in revenue from QCDN, Kodo and Dora, partially offset by a slight decrease in revenue from interactive live streaming products. Revenue from our APaaS products increased by 29.9% from RMB64.1 million in the three months ended March 31, 2023 to RMB83.2 million in the three months ended March 31, 2024, primarily attributable to the increase in revenue generated from our video marketing, visual networking and social entertainment scenario solutions.

Our gross profit increased by 42.5% from RMB49.5 million in the three months ended March 31, 2023 to RMB70.5 million in the three months ended March 31, 2024. Our overall gross margin increased from 18.3% in the three months ended March 31, 2023 to 20.6% in the three months ended March 31, 2024. Our gross margin of MPaaS increased from 15.6% in the three months ended March 31, 2023 to 18.2% in the three months ended March 31, 2024 primarily because (i) we were able to generate more revenue from our Kodo business which generally had higher gross profit margin as compared to our QCDN business, and (ii) we benefited from certain cost control measure, such as restructuring of our infrastructure layout and relocation of our servers. Our gross margin of APaaS remain relatively stable at 29.5% and 29.2% in the three months ended March 31, 2023 and 2024, respectively.

For details, please refer to the section headed "Financial Information — Period-to-Period Comparison of Results of Operation" of this document.

Our loss for the year remained relatively stable at RMB212.8 million in 2022 compared to RMB219.7 million in 2021. Our loss for the year increased from RMB212.8 million in 2022 to RMB324.1 million in 2023 primarily because of (i) the fluctuation in the fair value changes of financial assets at fair value through profit or loss from a gain of RMB30.9 million in 2022 to a loss of RMB54.7 million in 2023, and (ii) the increase in fair value losses on convertible redeemable preferred shares from RMB83.8 million in 2022 to RMB156.1 million in 2023, partially offset by the increase in our gross profit from RMB228.6 million in 2022 to RMB280.2 million in 2023. Our loss for the period increased from RMB98.3 million in the three months ended March 31, 2023 to RMB148.0 million in the three months ended March 31, 2024 primarily because of (i) the increase in fair value losses on convertible redeemable preferred shares from RMB57.3 million in the three months ended March 31, 2023 to RMB111.5 million in the three months ended March 31, 2024, and (ii) the fluctuation in the fair value changes of financial assets at fair value through profit or loss from a gain of RMB4.2 million in the three months ended March 31, 2023 to a loss of RMB8.9 million in the three months ended March 31, 2024, partially offset by the increase in our gross profit from RMB49.5 million in the three months ended March 31, 2023 to RMB70.5 million in the three months ended March 31, 2024. The relatively stable adjusted net loss (non-IFRS measure) in 2022 and 2023 and for the three months ended March 31, 2023 and 2024 despite the overall improvement in operating performance in 2023 and 2024 was partially due to the fluctuation in gains/losses recognized from the fair value changes of financial assets at fair value through profit or loss as mentioned above. Please see the section headed "Financial Information – Description of Major Components of Our Results of Operation" for details.

Summary Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statement of financial position as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets	396,277	350,792	237,806	241,694
Current assets	688,776	553,290	621,974	616,578
Current liabilities	3,290,190	3,569,959	3,872,333	4,000,365
Net current liabilities	2,601,414	3,016,669	3,250,359	3,383,787
Non-current liabilities	33,216	10,301	2,845	22,164
Net liabilities	2,238,353	2,676,178	3,015,398	3,164,257

We recorded net liabilities of RMB2,238.4 million, RMB2,676.2 million, RMB3,015.4 million and RMB3,164.3 million as of December 31, 2021, 2022, 2023 and March 31, 2024, respectively. Our net liabilities position was primarily due to our convertible redeemable preferred shares. Our convertible redeemable preferred shares amounted to RMB2,672.3 million, RMB3,006.7 million, RMB3,215.0 million and RMB3,332.2 million as of December 31, 2021, 2022, 2023 and March 31, 2024, respectively. Our convertible redeemable preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon the **[REDACTED]** and we will return to a net assets position from a net liabilities position. For further details of the convertible redeemable preferred shares, see Note 28 to the Accountants' Report in Appendix I to this document. The net loss we incurred during the Track Record Period also contributed to our net liabilities position. We incurred net loss of RMB219.7 million, RMB212.8 million, RMB324.1 million and RMB148.0 million in 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. Exchange differences on translation of foreign operations and repurchase of vested share options also contributed to the fluctuation in net liabilities during the Track Record Period.

We recorded net current liabilities of RMB2,601.4 million, RMB3,016.7 million, RMB3,250.4 million and RMB3,383.8 million as of December 31, 2021, 2022, 2023 and March 31, 2024, respectively.

Our net current liabilities increased from RMB3,250.4 million as of December 31, 2023 to RMB3,383.8 million as of March 31, 2024, primarily due to (i) an increase in convertible redeemable preferred shares of RMB117.2 million, (ii) a decrease of RMB18.3 million in inventories, and (iii) an increase in interest-bearing bank and other borrowings of RMB11.9 million, partially offset by an increase of RMB20.2 million in trade and notes receivables.

Our net current liabilities increased from RMB3,016.7 million as of December 31, 2022 to RMB3,250.4 million as of December 31, 2023, primarily due to (i) an increase in convertible redeemable preferred shares of RMB208.4 million, (ii) an increase of RMB86.9 million in trade payables due to our business expansion, (iii) an increase of RMB26.4 million in interest-bearing bank and other borrowings, and (iv) a decrease of RMB21.0 million in cash and cash equivalents, partially offset by (i) an increase of RMB93.8 million in trade and notes receivables due to our business expansion, and (ii) a decrease of RMB22.8 million in amounts due to related parties.

Our net current liabilities increased from RMB2,601.4 million as of December 31, 2021 to RMB3,016.7 million as of December 31, 2022, primarily due to (i) an increase of RMB334.3 million in convertible redeemable preferred shares, (ii) a decrease of RMB98.1 million in our cash and cash equivalents, (iii) a decrease of RMB69.3 million in our trade receivables, and (iv) an increase of RMB60.4 million in interest-bearing bank and other borrowings, partially offset by (i) a decrease of RMB71.7 million in amounts due to related parties, (ii) an increase of RMB50.8 million in time deposits, and (iii) a decrease of RMB20.6 million in our contract liabilities.

Summary Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,			**Three months ended March 31,**	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Operating cash flows before movements in working capital	(42,023)	(39,295)	4,408	(18,081)	(2,206)
Changes in working capital	(52,949)	(34,883)	(15,240)	49,103	(4,956)
Cash used in operations	(94,972)	(74,178)	(10,832)	31,022	(7,162)
Interest received	3,479	2,834	6,995	746	893
Net cash flows (used in)/from operating activities	(91,493)	(71,344)	(3,837)	31,768	(6,269)
Net cash flows from/(used in) investing activities	144,447	(62,487)	(14,883)	(34,860)	70,039
Net cash flows from/(used in) financing activities	98,052	20,819	(4,699)	(12,780)	6,210
Net increase/(decrease) in cash and cash equivalents	151,006	(113,012)	(23,419)	(15,872)	69,980
Cash and cash equivalents at the beginning of the year/period	140,129	285,523	187,404	187,404	166,378
Effect of foreign exchange differences, net	(5,612)	14,893	2,393	(2,375)	204
Cash and cash equivalents at the end of the year/period	**285,523**	**187,404**	**166,378**	**169,157**	**236,562**

We recorded net operating cash outflows during the Track Record Period primarily due to our net loss and negative changes in working capital. Please see the section headed "Financial Information — Liquidity and Capital Resources — Consolidated Statements of Cash Flows — Net Cash Flows From/(Used In) Operating Activities" for details.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We did not achieve a net profit during the Track Record Period, mainly attributable to the combined effects of the following:

(a) *Prioritization of business expansion over short-term profitability:* During the Track Record Period, we prioritized the development and continuous expansion of our audiovisual MPaaS and APaaS business, particularly the relatively new and more profitable APaaS business officially launched in 2021, which we believe to have high market growth potential. The research and development relating to the development of our services, including our APaaS business, involved considerable investments, and such investments had not yet fully entered the period of return.

The loss-making position of the Company during the Track Record Period is also in line with the general trend of the industry in terms of the time taken to achieve profitability. According to iResearch, companies operating in the audiovisual PaaS industry have generally yet to achieve profitability, given their heavy investments upfront especially in research and the general pricing strategies adopted to quickly capture additional market share. It usually takes over ten years for audiovisual cloud service providers to achieve profitability.

(b) *Decision to scale down certain business segments in response to changing market circumstances:* While we recorded strong revenue growth of 35.1% in 2021 under exceptionally favourable market circumstances primarily as a result of the sharp increase in cloud storage demand driven by the outbreak of COVID-19 and rapid growth in investment in private and public cloud storage by various industries which benefited our Kodo business, we made various decisions to adjust our business focus in response to the changing market circumstances in 2022. In particular, the travel restrictions associated with the prolonged resurgence of COVID-19 pandemic as well as the shortage in supply of certain semiconductor chips which are key components of our all-in-one servers we procured for some of our private cloud customers, which required domestic deployment of servers with audiovisual software and solutions pre-installed, caused a supply chain disruption to all-in-one server business, which constituted a significant part of our Kodo business. In light of the above events, we made the decision in 2022 to scale down our all-in-one server business. As a result, our revenue from our Kodo business decreased from RMB650.8 million in 2021 to RMB320.4 million in 2022 and our total revenue and gross profit decreased accordingly.

(c) *Non-recurring items:* We have incurred certain one-off expenses during the Track Record Period, such as consulting and other professional service fees of RMB40.8 million in 2021 mainly in connection with our previous listing attempt on NASDAQ in 2021. We also incurred severance payments associated with the streamline of our employee structure in 2021, 2022, 2023 and the three months ended March 31, 2024 of RMB10.1 million, RMB36.6 million, RMB9.2 million and RMB0.2 million, respectively, and we incurred **[REDACTED]** expenses of RMB**[REDACTED]** million and RMB**[REDACTED]** million in 2023 and for the three months ended March 31, 2024, respectively. In addition, we recognized fair value losses on convertible redeemable preference shares in 2021, 2022, 2023 and the three months ended March 31, 2024 of RMB96.5 million, RMB83.8 million, RMB156.1 million and RMB111.5 million, respectively. All these had an adverse impact on our financial performance during the Track Record Period.

Path to profitability

Through years of development, we have achieved substantial market share and leading position in the audiovisual PaaS industry, particularly the relatively new audiovisual APaaS industry. According to iResearch, we are the third largest audiovisual PaaS provider and the second largest audiovisual APaaS provider in China in terms of revenue in 2023. Our adjusted net loss (non-IFRS measure) reduced from RMB118.7 million in 2022 to RMB115.6 million in 2023 and from RMB30.7 million for the three months ended March 31, 2023 to RMB24.2 million for the three months ended March 31, 2024, and our adjusted net loss margin (non-IFRS measure) reduced from 10.3% in 2022 to 8.7% in 2023 and 7.1% for the three months ended March 31, 2024, respectively. The improvement was primarily as a result of the continuous recovery of our MPaaS business, continued growth of our APaaS business, and reduction of our costs and expenses as a percentage of our revenue attributing to our cost control efforts. Specifically, we plan to further enhance our financial performance by:

(i) Focusing on and Deepening Our APaaS Business

We intend to further penetrate and deepen our presence in the various application scenarios of our APaaS business to capture the opportunities in the fast-growing audiovisual APaaS market. We plan to further expand our APaaS business by upgrading and iterating our low-code platform and providing more value-added services under various scenarios, such as a television broadcasting filming and production cloud solution under the smart new media scenario and an agricultural monitoring solution under the visual networking scenario, to our existing and new customers.

We also experienced a significant bump in spending by our new APaaS paying customers from 8,079 in 2021 to 244,978 in 2023 and 424,853 for the three months ended March 31, 2024, which is attributable to a few major factors, including (i) the feature of APaaS solutions as one-stop solutions providing easy-to-access and comprehensive capabilities to meet customers' various scenario-based demands, (ii) the constant accumulation of market confidence on and therefore willingness to spend on APaaS solutions, and (iii) our marketing and customer education efforts, for example, by adopting more proactive customer relationship management strategies to provide personalized customer support and cross-selling products and solutions or upgrading customers' profiles, which are conductive to nurturing customer loyalty and inducing higher spending. We expect our APaaS customer base, in particular, the number of new APaaS customers as well as their average spending, to further expand as our APaaS business reaches a mature development stage and more of our APaaS solutions become commercialized.

(ii) Maintaining and Continuously Strengthening Our Competitive Advantages in Our MPaaS Business

We have developed a strong MPaaS business through our decade of experience in the audiovisual cloud industry in China and we will focus on maintaining such competitive advantages in light of the intensifying market competition. We have a proven track record of stability and reliability in our service offering and built a good reputation among our customers. For example, we offer multi-region disaster recovery capability to reduce operation risks from failures in any single data center. Our MPaaS products are also equipped with various security protections against isolated incidents and security failures.

We plan to consolidate the competitive edges of our QCDN products which is the major battleground with IaaS enterprises. Specifically, we have (i) strengthened our business relationship with the top Internet enterprises in China, which are typically the largest customers of our QCDN product, to further consolidate our competitive edges; (ii) provided different pricing methods (e.g. based on actual usage or service package) to cater to the different business needs and distribution pattern of our customers; and (iii) engaged in the research and development of QCDN products, for example, the integration of CDN nodes and AI computing power to provide more competitive CDN products in the future.

We have always placed strong emphasis on the continuous innovation and research and development efforts to expand the service offerings and improve our existing product portfolio. In terms of MPaaS development strategy, we plan to further consolidate and deepen our edge in MPaaS capabilities to reduce access cost of customers, optimize supply chain resources and improve R&D efficiency.

(iii) Expanding Our Customer Base and Building Long-term Relationship with Our Customers

We successfully expanded our customer base during the Track Record Period. The number of MPaaS paying customers increased from 68,808 in 2021 to 83,970 in 2022, and further increased to 92,480 in 2023 and from 62,311 for the three months ended March 31, 2023 to 62,563 for the three months ended March 31, 2024. We aim to cultivate user habits in using our products and services and expand our customer base. As of March 31, 2024, we had over 1,500,000 registered users, among which 643,857 were active users *(Note 1)*. We intend to build long-term relationship with our existing customers and attract more registered users and convert them or the companies they represent into paying customers. We expect our expanded customer base will lead to increasing economies of scale, which in turn helps improve our overall profitability.

(a) *Expand across more business scenarios of our customers and actively identify market needs.* We plan to create more solutions in the five major scenarios of our APaaS business which in turn could increase our customer base and/or their spending. We are actively identifying and exploring unmet customer needs through various online and offline channels, including reputable industry conferences, insights from existing customers, in various industries. Apart from the reputable industry conferences we have participated before, we are looking to organize or participate in over 30 exhibitions, trade fairs and industry conferences over the next five years.

(b) *Promote the conversion of registered users to paying customers.* We have been focusing on multiple strategies in accelerating the decision-making process of our customers and lowering the payment thresholds to encourage our non-paying registered users to convert to paying customers. Cost-effective products with lower payment thresholds, first-purchase discounts or free trials will be pushed and promoted to the non-paying customers to encourage them to spend money on our products, so as to further expand our paying customer base.

Note:

(1) The number of active users represents the number of users which have used at least one of our products or otherwise contributed to usage of our platform during the relevant period. For the avoidance of doubt, such active users include users who engage in trial use of our products and may or may not be our paying customers.

(iv) Effectively Managing Costs and Expenses

During the Track Record Period, we incurred substantial operating expenses, including selling and marketing expenses, administrative expenses and research and development costs, to scale up our business, develop new solutions and enhance our brand recognition. We intend to further optimize our operating expenses by achieving economies of scale and improving sales efficiency and effectiveness. Going forward, we intend to efficiently manage costs and expenses as a percentage of total revenue and further benefit from operating leverage. Specifically:

Selling and marketing expenses

In 2021, 2022, 2023 and the three months ended March 31, 2024, our selling and marketing expenses amounted to RMB193.0 million, RMB147.5 million, RMB139.1 million and RMB27.4 million, respectively, representing 13.1%, 12.9%, 10.4% and 8.0% of our revenue during the same periods, respectively. Notwithstanding the cost control efforts and personnel adjustment, we expect to continue to benefit increasingly from the effect of our enhanced brand awareness which we have built. Specifically, we intend to improve our sales and marketing efficiency by adopting the following measures:

a) We have and will continue to participate in reputable industry conferences which help us better demonstrate our latest products and services offerings, as well as research innovations, and attract more developers and customers to our platform;

b) We actively explore various marketing channels, whether traditional and alternative, to further improve our marketing efficiency. We adopt search engine optimization as our marketing strategy to improve the quality and quantity of traffic to our platform;

c) We have implemented advanced and efficient systems in the management of our customers. Apart from the Customer Relationship Management (CRM) system, we have also introduced the data platform operated by GuanData and implemented a multi-tier customer follow-up strategy primarily depending on the revenue contribution and industry features of our customers.

Administrative expenses

Our administrative expenses accounted for 8.1%, 9.7%, 10.2% and 9.0% of our total revenue in 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. We intend to optimize our administrative expenses by enhancing our standard of management, streamlining our internal workflows, and leveraging technology to drive convenience, cost-efficiency and productivity.

We have conducted and will continue to conduct comprehensive review of our operations, including R&D, sales and marketing and client support processes, to streamline our business processes with a focus on core procedures to increase efficiency and cost-effectiveness.

KEY FINANCIAL RATIOS

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

	For the year ended December 31,			For the three months ended March 31,
	2021	2022	2023	2024
	%	%	%	%
Gross margin	19.8	19.9	21.0	20.6
Adjusted net loss margin (non-IFRS measure)	(7.2)	(10.3)	(8.7)	(7.1)

RISK FACTORS

A summary of certain key risk factors we face include: (i) the market in which we participate is competitive, and if we do not compete effectively, our business, operating results and financial condition could be harmed; (ii) we have experienced fluctuations in our revenue and if we fail to effectively develop our business, our business, results of operations and financial condition could be adversely affected; (iii) we have recorded net losses, net current liabilities, net liabilities and net operating cash outflow during the Track Record Period; (iv) security breaches and attacks against our systems and network, and any failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our financial condition and results of operations; and (v) if we fail to maintain and enhance the functions, performance, reliability, design, security, and scalability of our products and services to meet our customers' evolving needs, we may lose our customers.

If any of the above key risk factors materialises, there may be a material and adverse effect on our business, financial condition, results of operations and prospects. You should read the entire section headed "Risk Factors" in this document before you decide to invest in the **[REDACTED]**.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any administrative penalties, bankruptcy or receivership proceedings), which we believe would have a material adverse effect on our business, results of operations or financial condition. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or any of our Directors, which we believe would have a material adverse effect on our business, results of operations or financial condition.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that we believe would have a material adverse effect on our business, results of operations or financial condition.

RECENT DEVELOPMENTS

Recent Business Developments

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business operation remained stable. We achieved improvement in revenue, gross profit and adjusted net loss (non-IFRS measure) in 2023 compared to 2022 and for the three months ended March 31, 2024 compared to the same period in 2023 and we expect to continue to improve overall in 2024 as our MPaaS and APaaS businesses continue to develop with their current momentum. Having said that, we still expect to record net losses in 2024, primarily due to fair value losses on convertible redeemable preferred shares, share-based payments and **[REDACTED]** expenses expected to be incurred and in light of the competitive market environment and our financial performance improvement initiatives as set out in the section headed "Business — Business Sustainability and Path to Profitability" continues to take effect.

Recent Regulatory Developments

CSRC filings

On June 17, 2024, CSRC has issued a notification on our Company's completion of the PRC filing procedures for the **[REDACTED]** of Shares on the Stock Exchange and the **[REDACTED]**. As advised by our PRC Legal Advisor, our Company has completed all necessary filings with CSRC prior to the **[REDACTED]** and the **[REDACTED]**.

AI Measures

On July 10, 2023, the Cyberspace Administration of China (the "**CAC**") promulgated the AI Measures, effective on August 15, 2023. The AI Measures impose compliance requirements for providers of generative artificial intelligence services (the "**AI Providers**") to the general public within the territory of PRC. The AI Measures provide, among other things, that AI Providers of text, image, audio or video to the general public shall assume the responsibilities as the producers of the AI-generated content thereon. In the event that AI Providers finds any illegal content or any user uses generative artificial intelligence services to engage in illegal activities, AI Providers shall warn the user, restrict the use, suspend or terminate the provision of services, keep relevant records, report the same to the related competent authority or take other measures. And any AI Providers with attribute of public opinions or capable of social mobilization shall conduct security assessment, and complete the formalities for algorithm filing, change or deregistration in accordance with the relevant regulations. For details, see "Regulatory Overview — Regulations Relating to Generative Artificial Intelligence Services." As of the Latest Practicable Date, we are still developing generative artificial intelligence service, and has not yet provided such services to any third parties. Our PRC Legal Advisor are of the view that we comply with the AI Measures in all material respects. For details, see "Business — Compliance With AI Measures." Our Directors believe that the AI Measures will not materially affect our current and future business operations and financial performance, on the grounds that: (i) our PRC Legal Advisor's opinion mentioned above; (ii) we have taken and will continue to take sufficient measures to comply with the AI Measures and relevant regulations and such measures will not have any material adverse effect on our business and financial performance; and (iii) we will continue to closely monitor market practice and any further interpretation of the AI Measures.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2024, being the end date of our latest audited financial statements, and there has been no event since March 31, 2024 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

DIVIDENDS

The declaration, amount and payment of dividends are subject to the discretion of our Directors and depend on our financial condition, earnings and capital requirements as well as contractual and legal restrictions and our ability to receive dividend payments from our subsidiaries in addition to other factors. Declaration and payment of dividends are also subject to any applicable laws and the Articles of Association. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared by our Board or paid in the future. Currently, our Group does not have a fixed dividend policy and does not have a predetermined dividend distribution ratio. During the Track Record Period, we did not declare or pay any dividend.

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of net liabilities or accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our PRC Legal Advisor, according to PRC laws and regulations, our PRC subsidiaries are permitted to pay dividends out of their accumulated after-tax profits, if any, as determined under PRC accounting standards, upon approval of their respective shareholders, provided that (i) our PRC subsidiaries shall make up their losses of previous years when conducting outward remittance; and (ii) PRC subsidiaries shall make appropriations from their after-tax profits as determined under PRC accounting standards to non-distributable reserve funds. Therefore, our PRC subsidiaries with positive accumulated after-tax profits, having offset losses from previous years and made requisite appropriations to reserve funds, may declare dividends to their respective shareholder(s). Please see the section headed "Financial Information – Dividends" for details.

[REDACTED] STATISTICS[1]

	Based on the minimum indicative [REDACTED] of HK$[REDACTED] per [REDACTED]	Based on the maximum indicative [REDACTED] of HK$[REDACTED] per [REDACTED]

[REDACTED]

Notes:

(1) All statistics in this table does not take into account any Shares which may be allotted and issued pursuant to the exercise of **[REDACTED]**, or any Shares which may be issued pursuant to the exercise of options which may be granted under the **[REDACTED]** Share Plan and **[REDACTED]** Share Option Scheme, or any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described in the section headed "Share Capital" in this document.

(2) The calculation of market capitalization is based on **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]** and the **[REDACTED]**.

(3) The pro forma adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share is calculated after making the adjustments referred to in the paragraph headed "Unaudited **[REDACTED]** Financial Information — A. Unaudited **[REDACTED]** Statement of Adjusted Consolidated Net Tangible Assets" in Appendix II to this document and based on the **[REDACTED]** Shares expected to be in issue immediately after completion of the **[REDACTED]** and the **[REDACTED]**.

USE OF [REDACTED]

Based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**, we estimate that we will receive **[REDACTED]** from the **[REDACTED]** of HK$**[REDACTED]** million (equivalent to approximately RMB**[REDACTED]** million), assuming that there is no exercise of the **[REDACTED]**. We intend to use the **[REDACTED]** for the following purposes: (i) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for penetrating and deepening our presence in the application scenarios of our APaaS business and developing and expanding our customer base; (ii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for expanding our overseas business; (iii) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for enhancing our research and development capabilities and improving our technology infrastructure; (iv) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for selected mergers, acquisitions, and strategic investments; and (v) approximately **[REDACTED]**% of the **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for working capital and general corporate purposes. For further information, please refer to the section headed "Future Plans and Use of **[REDACTED]**" in this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for the **[REDACTED]** under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2023, being RMB1,334.0 million, which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected **[REDACTED]** at the time of the **[REDACTED]**, which, based on the low end of the indicative **[REDACTED]**, exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

[REDACTED] EXPENSES

The total **[REDACTED]** expenses borne or to be borne by us are estimated to be approximately RMB**[REDACTED]** million (equivalent to approximately HK$**[REDACTED]** million) (comprising (i) **[REDACTED]** of approximately RMB**[REDACTED]** million, and (ii) **[REDACTED]** related expenses of approximately RMB**[REDACTED]** million, which consist of fees and expenses of legal advisors and reporting accountants of approximately RMB**[REDACTED]** million and other fees and expenses of approximately RMB**[REDACTED]** million), accounting for approximately **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]**, assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, which is the mid-point of the **[REDACTED]** range stated in this document and assuming that the **[REDACTED]** is not exercised. We expect that approximately RMB**[REDACTED]** million of **[REDACTED]** expenses will be charged to our statements of profit or loss and other comprehensive income, in which RMB**[REDACTED]** million and RMB**[REDACTED]** million have been charged for the year ended December 31, 2023 and the three months ended March 31, 2024, respectively, and approximately RMB**[REDACTED]** million will be accounted for as a deduction from equity upon the **[REDACTED]**. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. Our Directors do not expect such **[REDACTED]** expenses to have a material adverse impact on our results of operation for the year ending December 31, 2024.