Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from July 1, 2021 to June 30, 2022

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

Commission file number: 001-33176

Baijiayun Group Ltd
(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands
(Jurisdiction of incorporation or organization)

24F, A1 South Building, No. 32 Fengzhan Road
Yuhuatai District, Nanjing, 210000
The People's Republic of China
(Address of principal executive offices)

Yong Fang, Chief Financial Officer
Tel.: +86-025-8222-1596
Email: fangyong@baijiayun.com
Address:
24F, A1 South Building, No. 32 Fengzhan Road
Yuhuatai District, Nanjing 210000
The People's Republic of China
(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A ordinary shares, par value US$0.519008 per share	**RTC**	**The Nasdaq Stock Market LLC**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the transition report.

As of June 30, 2022, there were 3,265,837 ordinary shares, par value US$0.519008 per share of Fuwei Films (Holdings) Co., Ltd., the predecessor of Baijiayun Group Ltd.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. ☐ Yes ☒ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing.

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☐No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

TABLE OF CONTENT

Conventions that apply to this transition report on Form 20-F

In this transition report on Form 20-F, each of the following terms has the meaning ascribed to it below:

- "Beijing WFOE" means Beijing Baishilian Technology Co., Ltd., a PRC limited liability company.
- "BOPET film business" means the manufacture and distribution of BOPET (biaxially-oriented polyethylene terephthalate) film principally engaged by our predecessor Fuwei.
- "BJY" means BaiJiaYun Limited, a Cayman Islands exempted company with limited liability and the wholly-owned subsidiary of Baijiayun Group Ltd.
- "CAC" means the Cyberspace Administration of China.
- "China" or "PRC" means the People's Republic of China, excluding, for the purpose of this transition report on Form 20-F only, Taiwan, Hong Kong and Macau.
- "Class A ordinary share" means a Class A ordinary share in the capital of our company, with a par value of US$0.519008 per share.
- "Class B ordinary share" means a Class B ordinary share in the capital of our company, with a par value of US$0.519008 per share.
- "Closing" means the closing of the Merger.
- "Closing Date" means the date of the Closing.
- "Code" means the U.S. Internal Revenue Code of 1986, as amended.
- "Companies Act" means the Companies Act (As Revised) of the Cayman Islands.
- "COVID-19" means SARS-CoV-2 or COVID-19, and any evolutions thereof.
- "CSRC" means the Chinese Securities Regulatory Commission.
- "Effective Time" means the time when the plan of merger is registered by the Registrar of Companies of the Cayman Islands or such later time as Merger Sub and BJY may agree and specify in the plan of merger pursuant to the Companies Act subject to section 234 of the Companies Act.
- "EIT Law" means the Enterprise Income Tax Law of the PRC.
- "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.
- "fiscal year" means the period from July 1 of the previous calendar year to June 30 of the concerned calendar year.
- "Fuwei" means Fuwei Films (Holdings) Co., Ltd., the predecessor of our company prior the consummation of the Merger.
- "GAAP" means United States generally accepted accounting principles.
- "HFCAA" means the Holding Foreign Companies Accountable Act.
- "IDC' means "International Data Corporation", an independent market research, analysis, and consulting firm in the United States.
- "iResearch" means "iResearch Consulting Group", an independent market research, analysis, and consulting firm in China.

- "IRS" means the U.S. Internal Revenue Service.
- "JOBS Act" means the United States Jumpstart Our Business Startups Act of 2012.
- "Merger" means the transaction pursuant to an agreement and plan of merger, dated as of July 18, 2022 (the "Merger Agreement"), by and between Fuwei and BJY, pursuant to which a wholly-owned subsidiary of Fuwei ("Merger Sub") merged with and into BJY, with BJY being the surviving entity and a wholly-owned subsidiary of Fuwei. Shareholders of BJY exchanged all of the issued and outstanding shares of BJY immediately prior to the Merger for newly issued shares of Fuwei in a transaction exempt from the registration requirements under the Securities Act of 1933.
- "MIIT" means the Ministry of Industry and Information Technology of China.
- "MOFCOM" means the Ministry of Commerce of the People's Republic of China.
- "Nasdaq" means The Nasdaq Stock Market LLC.
- "ordinary shares" means, collectively, our Class A ordinary shares and Class B ordinary shares.
- "PCAOB" means the Public Company Accounting Oversight Board.
- "RMB" or "Renminbi" means the legal currency of China.
- "video-centric technology solution business" means Software-as-a-Service ("SaaS") and Platform-as-a-Service ("PaaS") solutions and cloud and software related solutions and enterprise AI and system solutions offered by BJY, which is expected to be our principal business after the Merger.
- "SAFE" means the State Administration of Foreign Exchange.
- "SAIC" means the State Administration for Industry and Commerce.
- "SAT" means the State Administration of Taxation.
- "SCNPC" means the Standing Committee of the National People's Congress.
- "SEC" means the United States Securities and Exchange Commission.
- "Securities Act" means the United States Securities Act of 1933.
- "US$" or "U.S. dollars" means the legal currency of the United States of America.
- "the variable interest entity" or "the VIE" means BaiJiaYun Group Co., Ltd, an entity that Baijiayun Group Ltd consolidates through contractual arrangements.
- "we," "us," "our company" and "our" mean Baijiayun Group Ltd, a Cayman Islands exempted company with limited liability (or its predecessor, Fuwei Films (Holdings) Co., Ltd., as the context requires), and its subsidiaries, the VIE and their respective subsidiaries.
- "WFOEs" means Beijing WFOE, Zhejiang WFOE, Shenzhen Baishilian Technology Co., Ltd., Nanning Baishilian Information Technology Co., Ltd., and Nanjing Baishilian Technology Co., Ltd.
- "Zhejiang WFOE" means Zhejiang Baijiashilian Technology Co., Ltd., a PRC limited liability company.

Table of Contents

Names of certain companies provided in this transition report are translated or transliterated from their original Chinese legal names.

Discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

This transition report on Form 20-F includes BaiJiaYun Limited's audited consolidated statements of operations and comprehensive income (loss) data and consolidated statements of cash flows data for the 2020, 2021 and 2022 fiscal years, and the consolidated balance sheets data as of June 30, 2021 and 2022. The reporting currency of BJY is U.S. dollars.

Cautionary Note Regarding Forward-looking Statements

This transition report on Form 20-F contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act. All statements other than statements of historical fact in this transition report on Form 20-F are forward-looking statements. These forward-looking statements can be identified by words or phrases such as "anticipate," "believe," "estimate," "expect," "intend," "is/are likely to," "may," "plan," "should," "will" and similar expressions. These forward-looking statements include, without limitation, statements relating to:

- our ability to continuously develop new technology, services and products and keep up with changes in the industries that we operate;
- the expected growth of China's video cloud industry and our future business development;
- our expected growth in demand and market acceptance, for our products and services;
- our ability to protect and enforce our intellectual property rights;
- our ability to attract and retain qualified executives and personnel;
- the impact of ongoing COV1D-19 pandemic and the effects of government and other measures seeking to contain its spread;
- U.S.-China trade war and its effect on our operation, fluctuations of the RMB exchange rate, and our ability to obtain adequate financing for our planned capital expenditure requirements;
- the effect of the Merger on our ability to maintain relationships with its customers and business partners, or on our operating results and business generally; and
- other risk factors discussed under "Item 3. Key Information — D. Risk Factors."

You should thoroughly read this transition report and the documents that we refer to in this transition report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this transition report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

EXPLANATORY NOTE

On July 18, 2022, Fuwei entered into an agreement and plan of merger (the "Merger Agreement") with BJY, a leading video-centric technology solution provider in China with core expertise in Software-as-a-Service ("SaaS") and Platform-as-a-Service ("PaaS") solutions, pursuant to which a wholly-owned subsidiary of Fuwei ("Merger Sub") will be merged with and into BJY (the "Merger"), with BJY being the surviving entity. Shareholders of BJY will exchange all of the issued and outstanding shares of BJY immediately prior to the Merger for newly issued shares of Fuwei in a transaction exempt from the registration requirements under the Securities Act of 1933. Upon consummation of the Merger, BJY will become a wholly-owned subsidiary of Fuwei. Copies of the Merger Agreement and the plan of merger in respect of the Merger are attached as Annex B and Annex D, respectively, to the proxy statement furnished as Exhibit 99.2 to our Current Report on Form 6-K filed with the SEC on August 22, 2022 and incorporated herein by reference.

The Merger and all transactions contemplated by the Merger Agreement and plans of merger (the "Transactions") were consummated on December 23, 2022. Upon consummation of the Transactions, BJY became our wholly-owned subsidiary, and we changed our name from "Fuwei Films (Holdings) Co., Ltd." to "Baijiayun Group Ltd" and our ticker from "FFHL" to "RTC".

Prior to the Transactions, we developed, manufactured, and distributed high-quality plastic film using the biaxially-oriented stretch technique, otherwise known as BOPET film, through Fuwei and its then subsidiaries. As a result of the Transactions, we assumed and began conducting the video-centric technology solution business of BJY.

On December 23, 2022, our board of directors (the "Board") approved a change of fiscal year end from December 31 to June 30. As a result, we are required to file this transition report on Form 20-F for the transition period of July 1, 2021 to June 30, 2022. After filing the transition report, our next fiscal year will be the fiscal year ending June 30, 2023.

PART I

Item 1.Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2.Offer Statistics and Expected Timetable

Not applicable.

Item 3.Key Information

Implications of Being a Company with the Holding Company Structure and the VIE Structure

Baijiayun Group Ltd is a Cayman Islands holding company with no substantive operations. We have carried out our video-centric technology solution business through Zhejiang WFOE since January 2, 2023 (and through Beijing WFOE from September 7, 2021 to January 1, 2023) and its contractual arrangements, commonly known as the VIE structure, with the VIE based in China and its shareholders, due to the PRC regulatory restrictions on direct foreign investment in internet-related services and certain other businesses. Our shareholders hold the equity securities of Baijiayun Group Ltd, the Cayman Islands holding company, rather than the equity securities of the VIE, in which our operations are conducted. Prior to the Transactions, we developed, manufactured, and distributed high-quality plastic film using the biaxially-oriented stretch technique, otherwise known as BOPET film, through Fuwei and its then subsidiaries.

The VIE structure was established through a series of agreements entered into between Zhejiang WFOE, the VIE and its shareholders, comprising an exclusive technical and consulting services agreement, the powers of attorney, the exclusive option agreements, and the equity interest pledge agreements. The contractual arrangements allow us to (1) be considered as the primary beneficiary of the VIE for accounting purposes and consolidate the financial results of the VIE, (2) receive substantially all of the economic benefits of the VIE, (3) have the pledge right over the equity interests in the VIE as the pledgee, and (4) have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law. For details, see "Item 4. Information on the Company — C. Organizational Structure — Contractual Arrangements and Corporate Structure."

However, neither Baijiayun Group Ltd nor Zhejiang WFOE owns any equity interests in the VIE. Our contractual arrangements with the VIE and its shareholders are not equivalent of an investment in the equity interest of the VIE. Instead, as described above, we are regarded as the primary beneficiary of the VIE and consolidate the financial results of the VIE under U.S. GAAP in light of the VIE structure.

The VIE structure involves unique risks to holders of our ordinary shares. It may be less effective than direct ownership in providing us with operational control over the VIE or its subsidiaries, and we may incur substantial costs to enforce the terms of the arrangements. For instance, the VIE and its shareholder could breach their contractual arrangements with us by, among other things, failing to conduct the operations of the VIE in an acceptable manner or taking other actions that are detrimental to our interests. If we had direct ownership of the VIE in China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholders of their obligations under the contracts to direct the VIE's activities. The shareholders of the VIE may not act in the best interests of our company or may not perform its obligations under these contracts. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system.

We may face challenges in enforcing the contractual arrangements due to jurisdictional and legal limitations. There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIE and its nominee shareholders through Zhejiang WFOE. As of the date of this transition report, the agreements under the contractual arrangements among Zhejiang WFOE, the VIE and its shareholders have not been tested in a court of law. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or, if adopted, what they would provide. If we or the VIE is found to be in violation of any existing or future PRC laws or regulations or fail to obtain or maintain any of the required licenses, permits, registrations or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. The PRC regulatory authorities could disallow the VIE structure at any time in the future. If the PRC government deems that our contractual arrangements with the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties and may incur substantial costs to enforce the terms of the arrangements, or be forced to relinquish our interests in those operations. Our Cayman Islands holding company, our subsidiaries, the VIE and its subsidiaries, and our shareholders face uncertainty with respect to potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of our company and the VIE and its subsidiaries as a whole. For details, see "— D. Risk Factors — Risks Related to Our Corporate Structure."

Revenues contributed by the VIE accounted for substantially all of the total revenues of BJY in the 2020, 2021 and 2022 fiscal years. For a condensed consolidation schedule depicting the results of operations, financial position and cash flows for us, Beijing WFOE and the VIE during the 2020, 2021 and 2020 fiscal years, see "Item 5. Operating and Financial Review and Prospects." For details of the permissions and licenses required for operating our business in China and the related limitations, see "— Our Operations in China and Permissions Required from the PRC Authorities for Our Operations."

Our Operations in China and Permissions Required from the PRC Authorities for Our Operations

Currently, we, through Zhejiang WFOE and the VIE, conduct our video-centric technology solution business in China. Our operations in China are governed by PRC laws and regulations. We and the VIE are required to obtain certain licenses, permits and approvals from relevant governmental authorities in China in order to operate our business. As of the date of this transition report, as advised by our PRC counsel, Beijing Dentons Law Offices, LLP ("Dentons"), Zhejiang WFOE and the VIE have obtained the licenses, permits and registrations from the PRC government authorities necessary for our business operations in China, including, among others, value-added telecommunication business operation licenses with service scope for provision of domestic multi-party communication services and for provision of information services. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, and the promulgation of new laws and regulations and amendment to the existing ones, we may be required to obtain additional licenses, permits, registrations, filings or approvals for our business operations in the future. We cannot assure you that we or the VIE will be able to obtain, in a timely manner or at all, or maintain such licenses, permits or approvals, and we or the VIE may also inadvertently conclude that such permissions or approvals are not required. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us or the VIE may have a material adverse impact on our business, results of operations, financial condition and prospects and cause the value of any securities we offer to significantly decline or become worthless. For details, see "— D. Risk Factors — Risks Related to Doing Business in China — We may be required to obtain and maintain permits, filings and licenses to operate our business in China."

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (the "Review Measures"), which became effective on February 15, 2022. See "Item 4. Information on the Company — Government Regulations — Regulation on Information Security and Censorship." Pursuant to the Review Measures, in addition to "critical information infrastructure operators" who procure internet products and services that affect or may affect national security shall be subject to a cybersecurity review, any "network platform operators" carrying out data processing activities that affect or may affect national security should also be subject to the cybersecurity review requirements. The Review Measures also provide that if a "network platform operator" holding personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. As of the date of this transition report, we have not been informed by any PRC government authorities that we will be deemed as a critical information infrastructure operator, nor have we been involved in any formal investigations on cybersecurity review made by the CAC on such basis. However, if we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our applications from the relevant application stores, among other sanctions, which could materially and adversely affect our business and results of operations. See "— D. Risk Factors — Risks Related to Our Video-centric Technology Solution Business — Our business is subject to a variety of PRC and international laws and regulations, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition."

On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (the "Draft Rules Regarding Overseas Listing"). See "Item 4. Information on the Company — Government Regulations — Regulations Related to Overseas Listings." As of the date of this transition report, as advised by our PRC counsel, considering that (1) the Draft Rules Regarding Overseas Listing has not come into effect; and (2) no explicit provision under currently effective PRC laws, regulations and rules clearly requires an offering with contractual arrangements like ours to obtain approvals from the CSRC, we or the VIE are not required to obtain an approval from the CSRC in connection with the listing of our securities on the Nasdaq Stock Market.

However, the PRC regulatory authorities, including the CSRC, may adopt new laws, rules and regulations, or detailed implementation and interpretation of the current applicable PRC laws, rules and regulations, and we cannot assure you that the relevant PRC regulatory authorities, including the CSRC, would reach the same conclusion as us or our PRC counsel. Furthermore, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas by and foreign investment in China-based issuers. For instance, the Draft Rules Regarding Overseas Listing stipulates that the China-based companies, or the issuer, shall fulfill the filing procedures within three working days after the issuer makes an application for initial public offering and listing in an overseas market. In addition, an overseas offering and listing is prohibited under any of certain circumstances, including, among others, prohibition by national laws and regulations and relevant provisions, threatening to or endangering national security, material violation of laws by the company or its controllers or its directors, supervisors, or senior executives. If the Draft Rules Regarding Overseas Listing were to be implemented as proposed in its current form, we might be subject to the filing requirements with the CSRC for the listing. Moreover, as the Draft Rules Regarding Overseas Listing has not come into effect, there remains uncertainty in the final form and the interpretation and implementation of such overseas listing rules, and we cannot assure you that the relevant PRC government authorities, including the CSRC, would not promulgate new rules or new interpretation of current rules to require us or the VIE to obtain CSRC or other PRC government approvals or complete other compliance procedures for the listing of our securities on the Nasdaq Stock Market. We cannot assure you that we or the VIE would be able to obtain such approvals or complete such other compliance procedures, to the extent that they may be subsequently required by the relevant regulatory authorities, in a timely manner, or at all, or that any completion of review or approval or other compliance procedures would not be rescinded, in which case we may face regulatory sanctions for failure to complete the requisite compliance procedures or obtain the requisite approvals for the listing. If any of such event occurs, it could significantly limit or completely hinder our ability to launch any new offering of our securities and could cause the value of our securities to significantly decline or become worthless. For details, see "— D. Risk Factors — Risks Related to Doing business in China — Recent regulatory development in China may exert more oversight and control over listing and offerings that are conducted overseas. The approval of the CSRC may be required in connection with the listing of our securities on Nasdaq and our future capital raising activities, and, if required, we cannot assure you that we or the VIE will be able to obtain such approval."

Cash and Asset Flows through Our Organization

In light of our holding company structure and the VIE structure, our ability to pay dividends to the shareholders, and to service any debt we may incur may highly depend upon dividends paid by Zhejiang WFOE to us and service fees paid by the VIE to Zhejiang WFOE, despite that we may obtain financing at the holding company level through other methods. For instance, if any of Zhejiang WFOE or the VIE incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to us and our shareholders, as well as the ability to settle amounts owed under the contractual arrangements. As of the date of this transition report, none of Baijiayun Group Ltd, the WFOEs and the VIE has paid any dividends or made any distributions to their respective shareholder(s), including any U.S. investors. In the 2020, 2021 and 2022 fiscal years, the VIE did not pay any service fees to Beijing WFOE under the contractual arrangements. For details, see "Item 5. Operating and Financial Review and Prospects — Financial Information Related to the VIE." We expect to continue to distribute earnings and settle the service fees owed under the VIE agreements at the request of Zhejiang WFOE and based on our business needs, and do not expect to declare dividend in the foreseeable future. We currently have not maintained any cash management policies that specifically dictate how funds shall be transferred among Baijiayun Group Ltd, its subsidiaries (including Zhejiang WFOE), and the VIE. We will determine the payment of dividends and fund transfer based on our specific business needs in accordance with the applicable laws and regulations.

Under PRC laws and regulations, the WFOEs are permitted to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Furthermore, the WFOEs and the VIE are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. Remittance of dividends by the WFOEs out of China is also subject to certain procedures with the banks designated by the PRC State Administration of Foreign Exchange ("SAFE"). These restrictions are benchmarked against the paid-in capital and the statutory reserve funds of the WFOEs and the net assets of the VIE in which we have no legal ownership. In addition, while there are currently no such restrictions on foreign exchange and our ability to transfer cash or assets between Baijiayun Group Ltd and BaiJia Cloud Limited, our Hong Kong subsidiary, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on our ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on Baijiayun Group Ltd, its subsidiaries, the VIE and its subsidiaries to transfer or distribute cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong. For details, see "— D. Risk Factors — Risks Related to Doing Business in China — We may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our PRC operating subsidiaries to make payments to us could adversely affect our ability to conduct our business," and "— D. Risk Factors — Risks Related to Doing Business in China —PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from making loans to the WFOEs and the VIE, or to make additional capital contributions to the WFOEs."

Under PRC laws and regulations, we, the Cayman Islands holding company, may fund the WFOEs only through capital contributions or loans, and fund the VIE only through loans, subject to satisfaction of applicable government registration and approval requirements. As of June 30, 2020, 2021 and 2022, (1) the aggregate amount of capital contribution by BJY to our subsidiaries in Hong Kong was nil, nil and US$22.9 million, respectively; and (2) the aggregate amount of capital contribution by BJY to the WFOEs through our subsidiaries in Hong Kong was nil, nil and US$36.9 million, respectively. For the 2020, 2021 and 2022 fiscal years, there were no loans between the VIE and the WFOEs, net cash transferred by the VIE to the WFOEs, or transfer of assets within our organization. For details, see "Item 5. Operating and Financial Review and Prospects — Financial Information Related to the VIE."

Dividend Distribution

As of the date of this transition report, none of Baijiayun Group Ltd, the WFOEs and the VIE has paid any dividends or made any distributions to their respective shareholders, including any U.S. investors, nor do we have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See "Item 8. Financial Information — A. Consolidated Statements and Other Financial Information —Dividend Policy" for details.

The Holding Foreign Companies Accountable Act

The HFCAA was enacted on December 18, 2020. Pursuant to the HFCAA and related regulations, if we have filed an audit report issued by a registered public accounting firm that the PCAOB has determined that it is unable to inspect and investigate completely, the SEC will identify us as a "Commission-identified Issuer," and the trading of our securities on any U.S. national securities exchanges, as well as any over-the-counter trading in the United States, will be prohibited if we are identified as a Commission-identified Issuer for three consecutive years. There have been various initiatives to reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three to two years. On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act to that effect, and on February 4, 2022, the United States House of Representatives passed a bill which contained, among others, an identical provision. In August 2022, the PCAOB, the CSRC and the Ministry of Finance of the PRC signed the Statement of Protocol, which establishes a specific and accountable framework for the PCAOB to conduct inspections and investigations of PCAOB-governed accounting firms in mainland China and Hong Kong.

On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainties and depends on a number of factors out of our and our auditor's control. The PCAOB continues to demand complete access in mainland China and Hong Kong moving forward and is making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. On December 29, 2023, the Consolidated Appropriations Act was signed into law, which, among others, amended the HFCAA to reduce the number of consecutive years an issuer can be identified as a Commission-Identified Issuer before the SEC must impose an initial trading prohibition on the issuer's securities from three years to two. If the PCAOB is unable to inspect and investigate completely registered public accounting firms located in China and we fail to retain another registered public accounting firm that the PCAOB is able to inspect and investigate completely in 2023 and beyond, or if we otherwise fail to meet the PCAOB's requirements, our ordinary shares will be delisted from the Nasdaq Stock Market, and will not be permitted for trading over the counter in the United States under the HFCAA and related regulations. The related risks and uncertainties could cause the value of our ordinary shares to significantly decline or become worthless. For details, see "— D. Risk Factors — Risks Related to Doing Business in China — The ordinary shares will be delisted and prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or if proposed changes to the law are enacted, for two consecutive years. The delisting of the ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment."

A. Reserved

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

This section describes the risks that we currently believe may materially affect our business, financial condition and results of operations. The factors below should be considered in connection with any forward-looking statements in this transition report on Form 20-F. Although we will make reasonable efforts to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, revenues, sales, net assets, financial condition, results of operations, liquidity, capital resources and prospects. Additional risks and uncertainties that we are unaware of, or that we currently believe to be immaterial, may also become important factors that affect us.

Risks Related to Our Video-centric Technology Solution Business

We operate in an emerging and evolving market, which may develop more slowly or differently than we expect. If the market does not grow as expected, or if we cannot expand our services to meet the demands of this market, our revenues may decline, or fail to grow.

The video cloud market in China is at an early stage of development. There is considerable uncertainty over the size and rate at which this market will grow, as well as whether our platform will be widely adopted. Prospective customers may be reluctant or unwilling to use our platform for a number of reasons, including concerns about costs, uncertainty regarding the reliability and security of cloud-based offerings, lack of awareness of the benefits of our platform, or that they have invested substantial personnel and financial resources to develop internal solutions. Our ability to expand sales depends on several factors that are out of its control, including but not limited to market awareness and acceptance, competition, end-user demand for applications with SaaS/PaaS features launched by its customers, technological challenges and developments. If the video cloud market or demand for its products does not grow or even decreases, our business, operating results and financial condition would be adversely affected.

Our operating results and growth prospects depend on acquiring and retaining customers and increasing usage of customers' applications that integrate our products.

To successfully grow our business, we must continue to attract new customers in a cost-effective manner. We use a variety of marketing channels to promote our products and platform, such as developer conferences and events and public relations initiatives. If the costs of the marketing channels we use increase dramatically, we may choose to use alternative and less expensive channels, which may not be as effective as current ones. Alternatively, we may adopt or expand usage of more expensive channels, which could adversely affect our margins, profitability and financial condition. We invest in marketing before being able to assess whether they improve our brand awareness, customer acquisition or increase revenues in a cost-effective manner or at all. If our marketing programs are ineffective or inefficient, our business, operating results and growth prospects would be adversely affected.

Our success also depends on retaining customers and increasing their usage of our products and platform over time. We generate revenues from customers' usage of our products, some of which are integrated into their applications. Increasing usage of our products and platform over time will require customers to develop new use cases and those use cases to mature. The majority of our customers do not have long-term contractual commitments to us, and may reduce or terminate their use of our products at any time without penalty or termination charges. End users' demand for our customers' applications that integrate our products are driven by many factors out of our or our customers' control, making customers' usage of our products and platform difficult to predict. Furthermore, if a significant number of customers reduce or cease their usage of our products, we may incur greater sales and marketing expenses than expected to maintain or increase revenues from other customers, which may impact our profitability. If usage levels fail to meet our expectations, our business, operating results and growth prospects would be adversely affected.

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.

The global market for video cloud is relatively new and rapidly evolving. The industry in which we operate include a number of enterprises that may or may not directly compete with us. We consider that our competitors fall into three different business lines: (1) companies that provide real time engagement services via companies' cloud computing platform, (2) companies that offer customized software that are installed on customer's own cloud computing platform, and (3) companies that provide systematic solutions to customers by integrating customized software into hardware. In many cases, our prospective customers may choose to use custom software developed in-house or by consultants, or legacy solutions repurposed by in-house developers to meet specific use cases. As we plan to sell products to prospective customers with existing internal solutions, we need to demonstrate to them that our video cloud products are superior to their current legacy solutions, and failure to do so may adversely affect our business, results of operations and financial condition.

We expect competition to intensify in the future. Although a number of large software vendors or cloud providers currently do not have SaaS/PaaS offerings, some of them who operate in adjacent markets may bring such offerings to market through product development, acquisitions, or other means in the future. In addition, several of our competitors have greater brand recognition, longer operating histories, more and better-established customer relationships, larger sales forces, larger marketing and development budgets and significantly greater resources than we do. As a result, certain of our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us. Furthermore, these large vendors may be willing to provide competing software for free as part of enterprise-wide agreements that include other products or services. In these cases, it may be more difficult for us to compete effectively with our competitors, especially if our competitors attempt to continuously strengthen or maintain their market positions.

Our competitors may offer products, services and functions that are same or similar to our products with more compelling pricing terms, more competitive advantages, or greater geographic coverage in the markets where we do not operate or are less established. Furthermore, our customers may choose to use our products and our competitors' products at the same time, resulting in increased pricing pressures and competition. This, in turn, may cause the decrease in our revenues, profitability and market acceptance and harm our business, operating results and financial condition.

If our platform does not achieve sufficient market acceptance, our financial results and competitive position will suffer.

To meet our customers' rapidly evolving demands, we invest substantial resources in research and development to incorporate additional functionalities, improve our technology capabilities and expand the use cases that our platform empowers. For the 2020, 2021 and 2022 fiscal years, the research and development expenses of BJY were US$3.7 million, US$5.8 million and US$13.0 million, respectively. If we are unable to develop products internally due to inadequate research and development resources, we may not be able to address our customers' needs in a timely manner, or at all. In addition, if we seek to enhance our research and development capabilities or the breadth of our products through acquisitions, such acquisitions could be expensive and we may not successfully integrate acquired technologies or businesses into our existing business. When we develop or acquire new or enhanced products, we typically incur expenses and expend resources upfront to develop, market, promote and sell the new offerings. Therefore, new or enhanced products we develop, acquire or introduce need to achieve high market acceptance to justify the upfront investment.

Our new products or enhancements and changes to our existing products could fail to attain sufficient market acceptance for many reasons, including:

- failure to accurately predict and meet market demand by launching products or functionalities desired by customers;
- defects, errors, or failures in our products and solutions;
- negative publicity about our platform's performance or effectiveness;
- developments in the legal or regulatory landscape that could adversely affect our platform, such as increased legal or regulatory scrutiny;
- emergence of competitors whose products and technologies achieve earlier or wider market acceptance than us;
- delays in releasing enhancements to our platform to the market, or failure to achieve adequate market acceptance for our platform and our enhancements; and
- introduction or anticipated introduction of competing products by our competitors.

It is important that we maintain and increase the acceptance of our platform among the developers that work for our customers. We rely on developers to choose our platform over other options they may have, and to continue to use and promote our platform as they move between companies. These developers often make design decisions and influence the product and vendor processes within our customers. If we fail to gain or maintain their acceptance of our platform, our business would be harmed.

We may not successfully manage our growth as expected. Our gross profit and net profit may not grow at same rate as our gross revenue, continued investment and expansion into low-margin business, significant investments in sales and marketing efforts and research and development may negatively impact our gross profit margin, net profit margin and growth rate in the future.

We have experienced rapid growth. The revenues of BJY were US$23.4 million, US$41.4 million and US$68.6 million for the 2020, 2021 and 2022 fiscal years, respectively. However, there can be no assurance that our business will continue to grow at any particular rate as we did in the past, or avoid any decline in the future.

Our ability to forecast our future operating results is limited and subject to a number of uncertainties. In particular, we cannot accurately predict customers' usage of our products given the diversity of our customer base and the end users across industries, geographies, use cases and other factors. We consider that there are three primary risks in relation to its financial performance in the future. First, the COVID-19 pandemic has affected various aspects of our business, the extent to which the COVID-19 pandemic will affect our operations and financial performance will depend on future developments, which are highly uncertain and unpredictable. Second, our gross profit and net profit may not grow at same rate as our gross revenue, continued investment and expansion into low-margin business may negatively impact our gross profit margin, net profit margin and growth rate. We are expanding and currently expect to continually expand into new business lines. Certain initiatives on our new business lines may be new and evolving, and may prove unsuccessful. We may not be able to successfully implement new business plans and realize all of the benefits that we expect to achieve, or it may be more costly to do so than we anticipate. Lastly, our profitability may be lower than expected if our strategy were to maximize short-term profitability. We intend to continuously increase research and development investment to improve the performance of our existing software and platform which may have new business breakthroughs, such as real-time communications ("RTC"). In addition, we intend to continue to invest significantly in sales and marketing efforts to explore new business lines and improve our brand image and influence. The above potential investments and expansions may not ultimately grow our business or result in long-term profitability as expected. Moreover, such increases in the cost may adversely impact our gross profit margin, net profit margin and growth rate.

Our limited operating history makes it difficult to evaluate our current business and prospects and our operating results may fluctuate from time to time.

We conduct a significant portion of our businesses in China through the VIE. The VIE was founded in May 2017 and its limited operating history makes it difficult to evaluate our current business and future prospects, including our ability to predict and manage future growth. We have encountered and will continue to encounter risks and difficulties as a rapidly growing company in a constantly evolving industry. If we do not address these risks successfully, our business may be harmed.

Our operating results have fluctuated and will continue to vary in the future as a result of a variety of factors, many of which are out of our control. For example, our revenue model of our video-centric technology solution business is based in large part on end user adoption and usage of our customers' applications, which can constrain our ability to forecast revenues. Some factors that may cause our operating results to fluctuate from period to period include:

- our ability to attract, retain and increase revenues from customers;
- fluctuations in the amount of revenues from our customers;
- market acceptance of our products and our ability to introduce new products and enhance existing products;
- competition and the actions of our competitors, including pricing changes and the introduction of new products, services and geographies;
- our ability to control costs and operating expenses, including the fees that we pay network and cloud service providers for data delivery and data centers for additional bandwidth;
- our investments in research and development activities;
- changes in our pricing as a result of our optimization efforts or otherwise;

- reductions in pricing as a result of negotiations with our larger customers;
- the rate of expansion and productivity of our sales force;
- change in the mix of products that our customers use;
- changes in end user and customer demand as end users increase and decrease their time online due to the imposition or easing of stay-at-home, travel and other government mandates or changes in end user or customer demand for our products in response to the COVID-19 pandemic;
- the expansion of our business, particularly in international markets;
- changes in foreign currency exchange rates;
- changes in laws, regulations or regulatory enforcement in China, the United States or other countries that impact our ability to market, sell or deliver our products;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business, including investments in international expansion;
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our products on our platform;
- general economic and political conditions that may adversely affect a prospective customer's ability or willingness to adopt our products, delay a prospective customer's adoption decision, reduce the revenues that we generate from the use of our products or impact customer retention;
- extraordinary expenses such as litigation or other dispute-related settlement payments;
- sales tax and other tax determinations by authorities in the jurisdictions in which we conduct business;
- the impact of new accounting pronouncements;
- expenses incurred in connection with mergers, acquisitions, dispositions or other strategic transactions and integrating acquired (or carving out disposed) business, technologies, services, products and other assets; and
- fluctuations in share-based compensation expense.

The occurrence of one or more of the foregoing factors may cause our operating results to vary significantly. For example, a significant percentage of our operating expenses such as payroll expense is fixed to some extent and we may not be able to adjust all costs and fees in accordance with the changes in revenue. Accordingly, in the event of a revenue shortfall, we may not be able to mitigate the negative impact on profitability in the short term.

We generated a substantial portion of our revenues from a limited number of customers, and the loss of, or a significant reduction in usage by, one or more of such major customers would result in lower revenues and could harm our business.

Our future success is dependent on establishing and maintaining successful relationships with a diverse set of customers. For the 2022 fiscal year, BJY generated a substantial portion of its revenues from a limited number of customers, BJY's top ten customers (after aggregating customers with multiple accounts) accounted for approximately 47.6% of its revenues, although no single customer contributed more than 10% of its revenue. Going forward, it is likely that we will continue to be dependent upon a limited number of customers for a significant portion of our revenues for the foreseeable future and, in some cases, the portion of our revenues attributable to individual customers may increase. The loss of one or more key customers or a reduction in usage by any major customers would reduce our revenues. If we fail to maintain existing customers or develop relationships with new customers, our business would be harmed.

Failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform.

Historically, we relied on the adoption of our products by developers through our self-service model as well as more targeted sales efforts. Our ability to further increase our customer base and achieve broader market acceptance of our platform will significantly depend on our ability to expand our sales and marketing operations. We plan to continue expanding our sales force and network both domestically and internationally. We also plan to dedicate significant resources to sales and marketing programs. All of these efforts will require us to invest significant financial and other resources, and our business may be harmed if they fail to attract additional customers.

As we increase our target sales efforts to larger organizations, we expect to incur higher costs and longer sales cycles. The decision to adopt our products by such customers may require the approval of multiple technical and business decision makers, including security, compliance, procurement, operations and IT. In addition, while certain customers may quickly deploy our products on a limited basis before they commit to deploying our products at scale, they often require extensive education and customer support, engage in protracted pricing negotiations and seek dedicated product development resources. In addition, sales cycles for efforts targeted at larger organizations are inherently more complex and less predictable than the sales through our self-service model, and some customers may not use our products enough to generate revenues that offset the cost of customer acquisition. In addition, complex and resource-intensive sales efforts could place additional strain on our product and engineering resources.

We believe that there is significant competition for sales personnel, including sales representatives, sales managers, and sales engineers with required skills and technical knowledge. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training, and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and may take significant time before we achieve full productivity. New hires may not become productive as quickly as expected, if at all, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we conduct business or plan to do business. In addition, particularly if we continue to grow rapidly, new members of our sales force will have relatively little experience working with us, our platform, and our business model. If we are unable to hire and train sufficient numbers of effective sales personnel, our sales personnel do not reach significant levels of productivity in a timely manner, or our sales personnel are not successful in acquiring new customers or expanding usage by existing customers, our business will be harmed.

We believe that continued growth in our business is also dependent upon identifying, developing and maintaining strategic relationships with additional third-party sales partners that can drive substantial revenues. If we fail to identify additional third-party sales partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future third-party sales partners in independently selling and deploying our products, our business, operating results and financial condition could be adversely affected.

We have incurred and may continue to incur substantial share-based compensation expenses.

BJY uses share-based compensation to award its management members and employees, and it has incurred and may continue to incur share-based compensation expenses. For the 2020, 2021 and 2022 fiscal years, BJY incurred nil, nil and US$9.5 million in share-based compensation expenses. On October 1, 2021, the board of directors of BJY adopted an equity incentive plan and reserved 9,486,042 ordinary shares of BJY for issuance under share options to be granted to employees and directors of BJY in its PRC operations. The equity incentive plan stipulates that Duo Duo International Limited will be the incentive platform to hold the ordinary shares of BJY on behalf of the beneficiaries of the equity incentive plan. On October 1, 2021, pursuant to the incentive plan, options to acquire 6,816,417 ordinary shares of BJY were issued, with exercise price ranged from RMB0.0001 to RMB10.0 per share and varied vesting schedules, and 1,709,310 ordinary shares were issued as restricted stock units (the "RSUs"), at a price of RMB0.0001 per share. The total fair value of the issued share options and RSUs is between US$10.0 million to US$15.0 million, out of which nil and approximately US$9.5 million was recognized in the 2021 and 2022 fiscal years, respectively, and the rest will be recognized over the period from calendar year 2023 to 2025. As of June 30, 2022, awards with respect to 6,816,417 ordinary shares of BJY reserved under the equity incentive plan were issued, among which, awards with respect to 3,749,591 ordinary shares of BJY had been fully vested. In the future, if additional share incentives are granted to BJY's employees or directors, BJY will incur additional share-based compensation expense, and our results of operations will be further adversely affected.

The COVID-19 pandemic brings uncertainties to our business, financial condition and prospects.

The outbreak of the COVID-19 pandemic has resulted in significant disruptions and distortions in the global economy since 2020. As the COVID-19 pandemic continued or reoccurred in China and globally, there has been and will continue to be significant uncertainties associated with the COVID-19 pandemic, including the ultimate spread of the virus, the severity of the disease, the duration of the outbreak, the possibility of successive waves of outbreaks, further actions that may be taken by governmental authorities around the world to contain the virus or to treat its impact, and the scope and length of the resulting economic downturn.

The COVID-19 pandemic has affected various aspects of our business. For instance, we experienced certain difficulties in purchasing bandwidth, co-location space, servers and equipment on equally cost-efficient terms due to various government-imposed restrictions and other logistical hurdles. In addition, the economic downturn due to the COVID-19 pandemic may adversely affect our customers' ability to pay, customer demand and end user usage, which would adversely affect our operating results and financial condition. Furthermore, the continuing pandemic may further impact our ability to maintain and expand our network infrastructure, which could severely disrupt our and our customers' business and operations and adversely affect our operating results and financial condition.

The extent to which the COVID-19 pandemic affects our operations and financial performance will depend on future developments, which are highly uncertain and unpredictable, including new information which may emerge concerning the severity of COVID-19 and the actions to contain the coronavirus, such as the availability of effective vaccines or cure, among others. Our operations could be disrupted if any of our employees is suspected of having COVID-19, since it could lead our employees to be quarantined and/or offices to be disinfected.

We could incur substantial costs in protecting or defending our intellectual property rights, and we may in the future become involved in disputes relating to alleged infringement of others' intellectual property rights. Any failure to protect our intellectual property rights, or alleged infringement of third-party intellectual property rights, could adversely affect our business, operating results and financial condition.

Our success depends, in part, on our ability to protect our brand, trade secrets, trademarks, patents, domain names, copyrights and proprietary methods and technologies, whether registered or not, that we develop under patent and other intellectual property laws of China, the United States and other jurisdictions, so that we can prevent others from using our inventions and proprietary information. We currently rely on patents, trademarks, copyrights and trade secret law to protect our intellectual property rights. However, we cannot assure you that any of our intellectual property rights will not be challenged, invalidated or circumvented, or that our intellectual property will be sufficient to provide us with competitive advantages. Because of the rapid pace of technological change, we cannot assure you that all of our proprietary technologies and similar intellectual property rights can be patented in a timely or cost-effective manner, or at all.

In addition, we may be subject to allegation of infringement of other parties' intellectual proprietary rights, which, whether successful or not, could harm our brand, business, operating results and financial condition. There is considerable patent and other intellectual property development in our industry, and we may be unaware of the intellectual property rights of others that may cover some or all of our technologies. Our competitors or other third parties may in the future claim that our products or platform and underlying technology infringe their intellectual property rights, and we may be found to be infringing such rights. Any claims or litigation, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, indemnify our customers or business partners, obtain licenses or modify our products or platform, prevent us from offering products, develop alternative non-infringing technology or comply with other unfavorable terms, any of which could significantly increase our operating expenses. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business.

We also rely, in part, on confidentiality agreements with our business partners, employees, consultants, advisors, customers and others in our efforts to protect our proprietary technology, processes and methods. These agreements may not effectively prevent disclosure of our confidential information, and it is possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without an adequate remedy for unauthorized use or disclosure of our confidential information.

In addition, the laws of some countries do not protect intellectual property and other proprietary rights to the same extent as the laws of others. It is often difficult to register, maintain and enforce intellectual property rights in China. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China. To the extent we expand our international activities outside of China, our exposure to unauthorized copying, transfer and use of our proprietary technology or information may increase.

Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. Litigation may be necessary in the future to enforce our intellectual property rights, determine the validity and scope of our proprietary rights or those of others, or defend against claims of infringement or invalidity. Such litigation could be costly, time-consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property and have an adverse effect on our business, operating results and financial condition. Our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights or alleging that it infringes the counterclaimant's own intellectual property. Any of our patents, trade secrets, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. There can be no assurance that we will prevail in such litigation. In addition, our proprietary methods and technologies that are regarded as trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. In these cases, we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions.

There can be no assurance that our particular ways and means of protecting our intellectual property and proprietary rights, including business decisions about when to file patent applications and trademark applications, will be adequate to protect our business, or that our competitors will not independently develop similar technology. We could be required to spend significant resources to monitor and protect our intellectual property rights. If we fail to protect and enforce our intellectual property and proprietary rights adequately, our competitors might gain access to our technology, and our business, operating results and financial condition could be adversely affected.

We depend largely on the continued services of our senior management, the loss of any of whom could adversely affect our business, operating results and financial condition.

Our future performance depends on the continued services and contributions of our senior management to execute on our business plan, develop our products and platform, deliver our products to customers, attract and retain customers and identify and pursue business opportunities. The loss of services of senior management could significantly delay or prevent the achievement of our development and strategic objectives. In particular, to a considerable degree, we depend on the vision, skills, experience and effort of the founder of BJY and our chief executive officer, Mr. Gangjiang Li and our president, Mr. Yi Ma. The replacement of any of our senior management personnel would likely involve significant time and costs, and such loss could significantly delay or prevent the achievement of our business objectives. The loss of the services of any of our senior management for any reason could adversely affect our business, operating results and financial condition.

We may acquire or invest in or dispose of or divest from business, technologies, services, products and other assets, which may divert our management's attention and result in the incurrence of debt or dilution to our shareholders. Such transactions may subsequently turn out to be less favorable to us than expected. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions or dispositions.

Similar to many other companies, we continuously evaluate and consider potential strategic transactions, including acquisitions of, investments in, dispositions of, or divestments from, businesses, technologies, services, products and other assets in the future, such as a potential disposition of the BOPET film business by us, the possibility of which was reviewed and discussed in the process of negotiating the Transactions. We also may enter into relationships with other businesses to expand our products and platform, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies.

Any acquisition, investment, disposition, divestment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, our products or services are not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions also may disrupt our business, divert our resources or require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment, disposition, divestment or business relationship may not be realized, such transaction or relationship may turn out to be less favorable to us, or we may be exposed to unknown risks or liabilities. For example, an acquired business may perform worse than expected and a disposed business may perform better than expected. In addition, acquisitions and investments could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the incurrence of debt, the incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired businesses and investment.

Negotiating these transactions can be time-consuming, difficult and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond its control. Consequently, these transactions, even if announced, may not be completed. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our existing shareholders;
- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay;
- encounter difficulties in retaining key employees of the acquired company or integrating diverse software codes or business cultures; or
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

The occurrence of any of these foregoing could adversely affect our business, operating results and financial condition.

We may have insufficient transmission bandwidth and co-location space, which could result in disruptions to our platform and loss of revenues.

Our operations are dependent in part upon transmission bandwidth provided by third-party network or cloud providers and leasing co-location facilities for our servers and equipment. There can be no assurance that we are adequately prepared for unexpected increases in bandwidth demands by our customers. In the first quarter of 2020, we experienced a spike in usage as a result of demand for online real-time engagement spurred by the COVID-19 pandemic. Although we were able to scale our network infrastructure in response, the general increase in demand for bandwidth and servers increased prices which in turn adversely impacted our gross margin. Failure to contain the further spread, or any resurgence, of the COVID-19 pandemic may affect our ability to cost-effectively maintain and expand our network infrastructure, which could severely disrupt our business and operations and adversely affect our operating results and financial condition.

The bandwidth we have contracted to purchase may become unavailable for a variety of reasons, including service outages, payment disputes, suspension or termination of the network providers' business, natural disasters, pandemics, networks imposing traffic limits, or governments adopting regulations that impact network operations. We may also be unable to move quickly enough to augment capacity to reflect growing traffic or security demands. Failure to put in place the capacity we require could result in a reduction in, or disruption of, services to our customers, or require us to issue credits and ultimately a loss of those customers. Such a failure could result in our inability to acquire new customers demanding capacity not available on our platform. If we are unable to provide sufficient bandwidth, we may also become contractually obligated to provide affected customers with service credits under service level commitments in our customer agreements.

We use open-source software, which could negatively affect our ability to sell our products and subject us to possible litigation.

Our products and platform incorporate open-source software, and we expect to continue to incorporate open-source software in our products and platform in the future. Few of the licenses applicable to open-source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products and platform. Moreover, although we have implemented policies to regulate the use and incorporation of open-source software into our products and platform, we cannot be certain that we have not incorporated open-source software in our products or platform in a manner that is inconsistent with such policies. When we utilize open source software in our products in certain ways, the applicable open-source licenses may subject us and our customers to certain requirements, including requirements that we and our customers offer the products that incorporate the open-source software for no cost, make available source code for modifications or derivative works that are based on, incorporate or use the open-source software, and license such modifications or derivative works under the terms of applicable open-source licenses. In some cases, open-source software is also offered under commercial terms which do not include such requirements and obligations, in exchange for the payment of fees to be negotiated with the author or licensors. We have entered into a license agreement with a third-party licensor relating to certain open-source software incorporated in certain of our and our customers' products. However, in the future, we may still receive notices alleging that its usage of other unlicensed open-source software does not comply with the applicable license, or such usage requires us to obtain a commercial license. If it were determined that we had not complied with the conditions of one or more of these open-source licenses, or if we are unable to successfully negotiate an acceptable commercial license, we and our customers could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined or otherwise prohibited from distributing our products that contained the open-source software, and be required to comply with onerous conditions or restrictions on these products. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering the respective products and platforms, and to re-engineer products or platforms or discontinue offering products in the event re-engineering cannot be accomplished in a timely manner. Any of the foregoing could require us and our customers to devote additional research and development resources to re-engineer products or platforms, harm our reputation, or result in customer dissatisfaction, and may adversely affect our business, operating results and financial condition.

Breaches of our networks or systems, or those of our service providers, could degrade our ability to conduct our business, compromise the integrity of our products, platform and data, result in significant data losses and leakage and the theft of our intellectual property, damage our reputation, expose us to liability to third parties and require us to incur significant additional costs to maintain the security of our networks and data.

We depend on our IT systems to conduct virtually all of our business operations, ranging from internal operations and research and development activities to marketing and sales efforts and communications with our customers, service providers and business partners. Individuals or entities may attempt to penetrate our network security, or that of our platform, and to cause harm to our business operations, including by misappropriating our proprietary information or that of our customers, employees, service providers and business partners or to cause interruptions of our products and platform. Because the vulnerabilities and techniques used by such individuals or entities to access, disrupt or sabotage devices, systems and networks change frequently and may not be recognized until launched against a target, we may be unable to anticipate these vulnerabilities and techniques, and may not become aware in a timely manner of such a security breach, which could exacerbate any damage we experience. Additionally, we depend on our employees and contractors to appropriately handle confidential and sensitive data, including customer data, and to deploy our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss or leakage of data. Any data security incidents, including the leakage of data of customers or the end users, internal malfeasance by our employees, unauthorized access or usage, virus or similar breach or disruption of us or our service providers could result in loss of confidential information, damage to our reputation, loss of customers, litigation, regulatory investigations, fines, penalties and other liabilities. Accordingly, if our cybersecurity measures or those of our service providers fail to protect against unauthorized access, attacks (which may include sophisticated cyberattacks), compromise or the mishandling of data by our employees, service providers and business partners, our reputation, business, operating results and financial condition could be adversely affected.

Our business is subject to a variety of PRC and international laws and regulations, including those regarding privacy, cybersecurity and data protection, and our customers may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information. Any failure of our platform to comply with or enable our customers to comply with applicable laws and regulations could harm our business, operating results and financial condition.

We and our customers that use our products may be subject to privacy, cybersecurity and data protection- related laws and regulations that impose obligations in connection with the collection, processing and use of personal data, financial data, health or other similar data and general cybersecurity. The PRC government and governments in other countries have adopted or proposed limitations on, or requirements regarding, the collection, distribution, use, security and storage of information, including personally identifiable information of individuals. In the PRC, the PRC Cybersecurity Law and relevant regulations require network operators, which may include us, to ensure the security and stability of the services provided via network and to provide assistance and support in accordance with the law for public security and national security authorities to protect national security or assist with criminal investigations.

In recent years, the PRC government has increasingly tightened the regulation of data privacy and data protection. The laws, regulations and governmental policies in the PRC for the data privacy and data protection are constantly evolving. For example, in June 2017, the PRC Cybersecurity Law promulgated by the Standing Committee of the National People's Congress, or the SCNPC, took effect. The PRC Cybersecurity Law requires network operators to perform certain functions related to cybersecurity protection. In addition, the PRC Cybersecurity Law provides that the critical information infrastructure operators generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of PRC, and shall conduct security assessment for cross-border data transfer. On June 10, 2021, the SCNPC promulgated the PRC Data Security Law, which took effect in September 2021. The PRC Data Security Law imposes data security and privacy obligations on entities and individuals carrying out data activities, including but not limited to the collection, storage, use, processing, transmission, provision, and public disclosure of data. The PRC Data Security Law, among other things, provides for a security review procedure for the data activities that may affect national security and imposes export restrictions on certain data and information. On July 30, 2021, the State Council of the PRC promulgated the Provisions on Protection of the Security of Critical Information Infrastructure, which took effect on September 1, 2021. Pursuant to the Provisions on Protection of the Security of Critical Information Infrastructure, critical information infrastructure shall mean any important network facilities or information systems of the important industry or field such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, relevant administration departments of each critical industry and sector, which are referred to as the "Protection Departments," shall be responsible for formulating eligibility criteria and identifying the critical information infrastructure operator, or the CIIO, in the respective industry or sector. The CIIOs shall take the responsibility to protect the CIIO's security by performing certain prescribed obligations, including conducting network security test and risk assessment, reporting the assessment results to relevant regulatory authorities. On August 20, 2021, the SCPNC adopted the Personal Information Protection Law, which became effective on November 1, 2021. The Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances. The Personal Information Protection Law clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing and the basic requirements of notice and consent. Additionally, the Personal Information Protection Law stipulates that personal information processors who have a large user base and/or operate complex types of businesses are subject to certain obligations, such as establishing an internal personal information protection system in compliance with relevant laws, rules and regulations; and releasing social responsibility reports on personal information protection on a regular basis. Existing PRC laws and regulations do not provide clear parameters as to what constitutes "large user base" and/or "complex types of businesses." Nevertheless, it is widely accepted in practice that at least one million users is required in order to reach the "large user base" threshold, and "complex types of businesses" usually refers to a business model under which a company either operates as an integrated online platform, for example, a social media or e-commerce platform, or operates with diversified business lines or product catalogues. We believe that we are not a personal information processor who has a large user base and/or operate complex types of businesses. However, since there has been no official interpretation or explanation as to the definition of same, it remains uncertain whether we would be deemed as a personal information processor who has a large user base and/or operate complex types of businesses by the PRC regulatory authorities, thus requiring us to perform the obligations stipulated under the Personal Information Protection Law. On June 7, 2022, the Measures on Security Assessment of Cross-Border Transfer of Data was released by the CAC, which became effective on September 1, 2022, stipulates that before cross-border data transfer under certain circumstances, data processors shall make self-assessment of the risks, and shall apply for security assessment. These laws and regulations require, among others, that the personal information and important data generated and collected during the operations in the PRC should be stored within the PRC unless, prior to the intended data transfer, certain specified criteria have been satisfied, such as a completed official security assessment carried out by the PRC government authorities. As a personal information processor defined under the Personal Information Protection Law, while we do not believe current business involves any transmission, use and exchange of information that comes under the definition of "cross-border transfer of personal information and important data" under the PRC Cybersecurity Law, we cannot assure you that the PRC regulatory authorities will not take a view contrary to our view, thus requiring us to comply with the data localization, security assessment and other requirements under these proposed laws and regulations. As our business continues to grow, there may arise circumstances where we engage in such cross-border transfer of personal data and/or important data, including in order to satisfy the legal and regulatory requirements, in which case we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business. Additionally, to the extent we are found to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend its operations or other regulatory and disciplinary sanctions, which could materially and adversely affect our business, financial condition and results of operations.

On December 28, 2021, the CAC, together with 12 other government authorities, jointly issued the Review Measures, which became effective on February 15, 2022. Pursuant to the Review Measures, in addition to "critical information infrastructure operators" who procure internet products and services that affect or may affect national security shall be subject to a cybersecurity review, any "network platform operators" carrying out data processing activities that affect or may affect national security should also be subject to the cybersecurity review requirements. The Review Measures also provide that if a "network platform operator" holding personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. Furthermore, on November 14, 2021, the CAC released the consultation draft of the Network Data Security Management Regulations which provide, among other things, that a data processor who processes important data or who is listed overseas shall complete an annual data security assessment either self-conducted or conducted by a data security service organization engaged, and before January 31 of each year, submit the annual data security assessment report of the previous year to the local cyberspace affairs administration department. As of the date of this transition report, the Network Data Security Management Regulations was released for public comment only, and no interpretation or implementation rules for this proposed regulation have been issued by the CAC or any other PRC regulatory authorities. It remains uncertain when the Network Data Security Management Regulations will be adopted and become effective and whether it will be adopted as it was initial proposed. Also, there is no further explanation or interpretation as to how to determine what constitutes "affecting national security". Therefore, it is uncertain whether we would be deemed as a "critical information infrastructure operator" or a "network platform operator" or a "data processors" holding one million users' personal information, or whether our business will be deemed to affect or may affect national security under PRC laws, thus requiring us to go through a cybersecurity review process. As of the date of this transition report, we have not been informed by any PRC government authorities that we will be deemed as a critical information infrastructure operator. It also remains uncertain whether future regulatory changes would impose additional restrictions on companies like us. We cannot predict the impact of the Review Measures and the Network Data Security Management Regulations, if any, at this stage. We will closely monitor and assess any development in the rulemaking process. If the Review Measures and the enacted version of the Network Data Security Management Regulations mandate clearance of a cybersecurity review and other specific actions to be completed by China-based companies listed on a foreign stock exchange like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. As of the date of this transition report, we have not been involved in any formal investigations on cybersecurity review made by the CAC on such basis. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our applications from the relevant application stores, among other sanctions, which could materially and adversely affect our business and results of operations.

In November 2021, one of BJY's applications "Cloud Classroom" was tested and considered as violated relevant regulations in collecting personal information by National App Technology Testing Platform, which is an official platform under the MIIT. Upon receipt of the notice, BJY immediately conducted thorough reviews on relevant systems and made rectifications. In February 2022, such application was listed on a notice of criticism circulated by the MIIT, which determined it violated relevant regulations in using users' personal information and mandatorily, frequently and excessively requesting for permissions of users' personal information. BJY reviewed its application system immediately and carried out rectification measures. The rectified application was recognized and approved by the MIIT in March 2022.

Pursuant to the PRC Personal Information Protection Law, where personal information is handled in violation of this law or personal information is handled without fulfilling personal information protection duties in accordance with the provisions, the departments fulfilling personal information protection duties and responsibilities are to order correction, confiscate unlawful income, and order the provisional suspension or termination of service provision of the application programs unlawfully handling personal information. The above-mentioned matters have neither caused the cease of any of our applications nor adversely affected our business and results of operations. As advised by our PRC legal counsel, Dentons, based on the rectification measures BJY adopted and the confirmations received from the relevant authorities, the likelihood that we will be subject to further administrative punishment in the future due to the above-mentioned matters is remote. We believe the measures taken by BJY with respect to personal information protection are consistent with industry practice.

We also continue to see jurisdictions imposing data localization laws, which require personal information, or certain subcategories of personal information to be stored in the jurisdiction of origin. These regulations may inhibit our ability to expand into those markets or prohibit us from continuing to offer services in those markets without significant additional costs.

The uncertainty and changes in the requirements of multiple jurisdictions may increase the cost of compliance, delay or reduce demand for our services, restrict our ability to offer services in certain locations, impact our customers' ability to deploy our solutions in certain jurisdictions, or subject us to claims and litigation from private actors and investigations, proceedings, and sanctions by data protection regulators, all of which could harm our business, financial condition and operating results. Additionally, although we endeavor to have our products and platform comply with applicable laws and regulations, these and other obligations may be modified, they may be interpreted and applied in an inconsistent manner from one jurisdiction to another, and they may conflict with one another, other regulatory requirements, contractual commitments or our practices. We also may be bound by contractual obligations relating to our collection, use and disclosure of personal, financial and other data or may find it necessary or desirable to join industry or other self-regulatory bodies or other privacy, cybersecurity or data protection-related organizations that require compliance with their rules pertaining to privacy and data protection.

We expect that there will continue to be new proposed laws, rules of self-regulatory bodies, regulations and industry standards concerning privacy, data protection and information security in the PRC and other jurisdictions, and we cannot yet determine the impact that such future laws, rules, regulations and standards may have on our business. Moreover, existing PRC cybersecurity and data protection-related laws and regulations are evolving and subject to potentially differing interpretations, and various legislative and regulatory bodies may expand current or enact new laws and regulations regarding privacy, cybersecurity and data protection-related matters. Because global laws, regulations and industry standards concerning privacy, cybersecurity and data protection have continued to develop and evolve rapidly, it is possible that we or our products or platform may not be, or may not have been, compliant with each such applicable law, regulation and industry standard and compliance with such new laws or to changes to existing laws may impact our business and practices, require us to expend significant resources to adapt to these changes, or to stop offering our products in certain countries. These developments could adversely affect our business, operating results and financial condition.

Further, in many cases we rely on the data processing, privacy, data protection and cybersecurity practices of our suppliers and contractors, including with regard to maintaining the confidentiality, security and integrity of data. If we fail to manage our suppliers or contractors or their relevant practices, or if our suppliers or contractors fail to meet any requirements with regard to data processing, privacy, data protection or cybersecurity required by applicable legal or contractual obligations that we face (including any applicable requirements of our clients), we may be liable in certain cases. We may face difficulties in binding our suppliers and contractors to these agreements and otherwise managing their relevant practices, which may subject us to claims, proceedings and liabilities.

Any failure or perceived failure by us, our products or its platform to comply with new or existing PRC or other cybersecurity or data protection laws, regulations, policies, industry standards or legal obligations, any failure to bind our suppliers and contractors to appropriate agreements or to manage their practices or any systems failure or security incident that results in the unauthorized access to, or acquisition, release or transfer of, personally identifiable information or other data relating to customers or individuals may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, fines and penalties, adverse publicity or potential loss of business.

We currently do not have insurance coverage covering all risks related to our business and operations. The lack of adequate D&O insurance may also make it difficult for us to retain and attract talented and skilled directors and officers.

We do not maintain insurance policies covering all of our business risks, such as risks relating to properties, receivables and public liability, among others. We cannot assume that the insurance coverage we currently have would be sufficient to cover our potential losses. In the event there is any damage to any assets or incidents for which we do not have sufficient insurance coverage, if at all, we would have to pay for the difference, and our cash flow and liquidity could be negatively affected.

As of the date of this transition report, we have not obtained directors and officers liability insurance, or D&O insurance for our directors and officers. In the future, we may be subject to additional litigation, including potential class action and shareholder derivative actions. Risks associated with legal liability are difficult to assess and quantify, and their existence and magnitude can remain unknown for significant periods of time. Without adequate D&O insurance, the amounts we would pay to indemnify our officers and directors should they be subject to legal action based on their service to us could have a material adverse effect on the financial condition, results of operations and liquidity. Furthermore, our lack of adequate D&O insurance may make it difficult for us to retain and attract talented and skilled directors and officers, which could adversely affect our business.

Negative publicity about us, our services, operations and our management may adversely affect our reputation and business.

We may, from time to time, receive negative publicity, including negative internet and blog postings about its company, its business, its management or its services. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. We may even 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 defend ourselves against such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Our brand and reputation may be materially and adversely affected as a result of any negative publicity, which in turn may cause us to lose market share, customers and other third parties with which we conduct business.

We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business and may require additional funds. In particular, we may seek additional funds to develop new products and enhance our platform and existing products, expand our operations, including our sales and marketing organizations and our presence outside of China, improve our infrastructure or acquire complementary businesses, technologies, services, products and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our shareholders could suffer significant dilution.

We are in the process of discussing with certain potential investors regarding a potential private investment in public equity ("PIPE") investment, the terms of which are still subject to ongoing negotiation. The total number of shares to be issued by us in such PIPE financing is not expected to exceed 15% of our total outstanding shares, including ordinary shares subject to outstanding warrants (on a fully diluted and as converted basis and taking into account such PIPE financing). If such PIPE financing is consummated, our shareholders will experience dilution as a result.

Any new equity securities we issue could have rights, preferences and privileges superior to holders of our equity securities currently issued and outstanding. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when required, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

Heightened tensions in international relations, particularly between the United States and China, may adversely impact our business, financial condition, and results of operations.

Recently there have been heightened tensions in international relations, particularly between the United States and China, but also as a result of the war in Ukraine and sanctions on Russia. These tensions have affected both diplomatic and economic ties among countries. Heightened tensions could reduce levels of trade, investments, technological exchanges, and other economic activities between the major economies. The existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions in both countries and, given our reliance on the Chinese market, adversely impact our business, financial condition, and results of operations.

Our business is subject to the risks of earthquakes, fire, floods, pandemics and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, data security breaches or terrorism.

A significant natural disaster, such as an earthquake, fire, flood or pandemic, occurring at one of our headquarters, at one of our other facilities or where a business partner is located could adversely affect our business, operating results and financial condition. Further, if a natural disaster or man-made problem were to affect our service providers, this could adversely affect the ability of our customers to use our products and platform. In addition, natural disasters and acts of terrorism could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. We also rely on our network and third-party infrastructure and enterprise applications and internal technology systems for our engineering, sales and marketing, and operating activities. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, operating results and financial condition.

In addition, computer malware, viruses and computer hacking, fraudulent use attempts and phishing attacks have become more prevalent in our industry, have occurred on our platform and have impacted some of our services providers in the past and may occur on our platform in the future. Any failure to maintain performance, reliability, security, integrity and availability of our products and technical infrastructure, including third-party infrastructure and services upon which we rely, may give rise to litigation, consumer protection actions, or harm to our reputation, and as a result, may hinder our ability to retain existing customers and attract new customers.

Risks Related to Our BOPET Film Business

A significant portion of revenue generated from our BOPET Film business is derived from the flexible packaging industry and electronics industry in the PRC; our revenue might be adversely impacted if the flexible packaging industry and electronics industry are adversely affected.

Our BOPET films are mainly used in the flexible packaging industry for consumer products such as tobacco packaging, alcoholic beverages, food, cosmetics, PCB industry, and so on. The demand for our BOPET films is therefore affected by the demand for flexible packaging and the electronics industry. Since the second half of 2011, supply has significantly outweighed demand in China. If this trend continues in the future, such as the continued slowdown of the market demand, or the increase of the demand continues to be less than that of the supply, it could continue to have an adverse impact on our financial condition and operation of our business.

Our acquisition of ownership of our main productive assets of the BOPET Film business is subject to litigation and dispute.

On September 24, 2004, the People's Court of Weifang declared Shandong Neo-Luck bankrupt due to its financial difficulties. Shandong Neo-Luck pledged its main assets for the operation of the DMT production line to Weifang Commercial Bank before its bankruptcy.

The pledged DMT production line was auctioned on October 22, 2004, by the Shandong Neo-Luck Clearance Committee. DMT subsequently sought monetary damages from Shandong Neo-Luck for approximately US$1.25 million plus interest relating to a claim of partial non-payment for the DMT production line by way of application of the ICC arbitration; the hearing was held in Geneva in November 2007. Fuwei Shandong joined these discussions later as an interested party, in order to support a resolution of the pending dispute, and to achieve the resolution of certain outstanding service and spare part issues. All parties entered into a Settlement Agreement in March 2008, and the arbitration was withdrawn by the ICC. Under the Service Agreement entered into in connection with the Settlement Agreement, Shandong Fuwei would pay an amount of US$180,000 in two installments with respect to service and spare parts. The Company made its first payment in April 2008. As of December 31, 2021, Shandong Fuwei had paid US$135,000 and still owed US$45,000.

Under the Settlement Agreement, the Neoluck Group was obligated to pay an amount equal to US$900,000 in RMB by delivery of a bank draft to DMT. In April 2008, the Neoluck Group had not performed its obligation under the Settlement Agreement, and, the Neoluck Group and DMT entered into a Supplemental Agreement pursuant to which the Neoluck Group would pay the amount owed to DMT in two installments. The Neoluck Group paid the first installment equal to US$450,000 in April 2008. As agreed between Neoluck Group and DMT, the remaining US$450,000 was to be paid in installments by the end of December 2008. As of December 31, 2021, Neoluck Group had paid US$320,000 and still owed US$130,000 to DMT.

Substantially, all of the operating assets of our BOPET Film were acquired through two auction proceedings under relevant PRC law. We acquired the Brückner production line in 2003 as a result of a foreclosure proceeding enforced by an effective court judgment, and the DMT production in 2004 as a result of a commercial auction from a consigner who obtained such assets through a bankruptcy proceeding. In the opinion of Concord & Partners, the PRC counsel of our BOPET Film business, these proceedings are both valid under Chinese auction and bankruptcy law based on certain factual assumptions. Our PRC counsel's opinion solely relates to the legal procedure of the auctions and is based upon certain factual assumptions, our written representations, and written reports of the auction company and other related parties. There can be no assurance that relevant authorities or creditors of the predecessor owner of these assets will not challenge the effectiveness of these asset transfers based upon the facts and circumstances of these transfers, despite the existence of independent appraisals, and other facts and circumstances of the auctions that cannot be verified by our PRC counsel. Taking into consideration the facts known by our PRC counsel related to the auction of the Brückner production line and the significant difference in the price paid for the DMT production line at the two bankruptcy auctions involved in our purchase of that asset and, assuming the representations and reports received by our PRC counsel are true and correct in all material respects, our PRC counsel is of the opinion that the auctions of the Brückner and DMT production lines were valid under PRC law and the possibility of the creditors of Shandong Neo-Luck successfully exercising recourse, or claiming repayment with respect to our assets purchased in the bankruptcy proceeding should be remote. However, should any such challenge be brought in China (or elsewhere) and prevail, we may incur substantial liabilities and be required to pay substantial damages as a result of acquiring these assets, and this could materially affect our financial condition.

A disruption in the supply of utilities, fire, or other calamity at our manufacturing plant would disrupt the production of our products and adversely affect our sales.

Our BOPET films are manufactured solely at our production facilities located in Weifang City in the PRC. Any disruption in the supply of utilities, particularly electricity, water, or gas supply, or any outbreak of fire, flood, or other calamity resulting in significant damage at our facilities would severely affect our production of BOPET film and, as a result, we could incur on a substantial loss of equipment and properties.

While we maintain insurance policies covering losses with respect to damage to our properties, machinery, and inventories of raw materials and products, we cannot assure you that our insurance would be sufficient to cover all of our potential losses.

We have encountered anti-dumping investigations in South Korea and the United States and other trade protection measures, and our BOPET film business may be adversely affected.

Since 2007, the manufacturers in China, India, and other countries have encountered anti-dumping investigations conducted by South Korea and the United States.

The Korean Trading Committee (KTC) announced the final results of anti-dumping investigations for enterprises in China and India on August 27, 2008. We finally received the anti-dumping duties (ADD) rate of 5.67%, which is much lower than the average rate of 23.60% for other enterprises in China. On June 22, 2011, the Ministry of Strategy and Finance of the Republic of Korea initiated a sunset review concerning the continued imposition of anti-dumping duty on imports of the BOPET Films originating from China and India. The rate for Shandong Fuwei, the subsidiary of Fuwei Films, was set at 11.72%, higher than one of its counterparts at 5.87%. Punitive duties of 25.32% will be imposed on the PET films manufactured by six Chinese firms. The rate for the remaining Chinese manufacturers was set at 23.61%. The anti-dumping duties imposed on the Company's exported biaxially oriented polyethylene-terephthalate (BOPET) films to South Korea will be extended for three more years, beginning on May 25, 2012.

On January 15, 2015, the Ministry of Strategy and Finance of the Republic of Korea initiated a sunset review concerning the continued imposition of anti-dumping duty on imports of Polyethylene Terephthalate originating from China and India. Eight Chinese exporters, including Fuwei Films, were required to participate in this review. On January 13, 2016, the Ministry of Strategy and Finance announced that the rate for Shandong Fuwei, the subsidiary of Fuwei Films, was set at 12.92%, and it would be extended for three more years beginning on January 13, 2016. On September 12, 2018, the Ministry of Strategy and Finance of the Republic of Korea initiated a sunset review concerning the continued imposition of anti-dumping duty on imports of Polyethylene Terephthalate originating from China and India. Eight Chinese exporters, including Fuwei Films, were required to participate in this review. On September 11, 2019, the Ministry of Strategy and Finance announced that the rate for Shandong Fuwei, the subsidiary of Fuwei Films, was set at 36.98%, and it would be extended for three more years beginning September 12, 2019.

The US Department of Commerce conducted an anti-dumping investigation in October 2007, covering exporters in China, Brazil, Thailand, and the United Arab Emirates. A total of 41 exporters in China were under investigation. In October 2008, the anti-dumping judgments were announced. Although we received the lowest ADD rate of 3.49% among five exporters that received a duty, our exports to the United States, to a certain extent, were adversely affected by paying the ADD.

On January 23, 2010, the US Department of Commerce ("USDOC") began a first-round annual review of Chinese BOPET exporters. Fuwei received the lowest anti-dumping duty (ADD) rate of 30.91% in this administrative review conducted by the USDOC, while the ADD rate of the other four Chinese companies reviewed by the USDOC exceeded 36.93%. In accordance with relevant laws and regulations in the US, the ADD rate of final results is retroactively applied to those US companies which imported Chinese-exported BOPET films, including Fuwei Films USA, LLC, during the period of the first review, so these US importers were obligated to pay a supplementary antidumping duty at this ADD rate. In March 2011, we submitted comments to the USDOC regarding perceived ministerial errors made in calculating the ADD applicable to us. As a result of a Court challenge brought on by Fuwei, in January 2013, the USDOC found that Fuwei did not dump goods in the United States market for the period from November 6, 2008, to October 31, 2009. The USDOC, after recalculating the rate, found that the level of dumping was "de minimis." The de minimis rate is treated by the USDOC as a finding of zero. The final results of the second-round annual review were announced in March 2012, according to which an ADD rate of 8.48% was imposed on Fuwei Films, which was slightly higher than the lowest anti-dumping duty rate of 8.42% for all the Chinese exporters being reviewed.

On December 30, 2011, USDOC commenced its third routine annual review of BOPET films originated from China. In order to gain an opportunity to continue exporting to the United States, Fuwei Films, although not a mandatory respondent, actively responded to the review to the extent permitted by law and continued to seek the low rate which should have properly applied to its exports to the United States. In June 2013, the final results of the third round of annual review were issued, and an ADD rate of 12.80% was imposed on Fuwei Films. The preliminary results of the fourth-round annual review were announced in December 2013, according to which an ADD rate of 31.77% was imposed on Fuwei Films. In June 2014, the final results of the fourth-round annual review were announced, and Fuwei Films was imposed an ADD rate of 31.24%. There was no export to the United States in 2014. The preliminary results of the fifth-round annual review were announced in December 2014, which determined that Fuwei Films did not have any reviewable transactions during the fifth-round annual review, and no rate was assigned. On December 23, 2014, the USDOC initiated the sixth-round annual review. In February 2015, Fuwei Films filed a No Shipment Certification with USDOC as the Company had no exports to the U.S. during the sixth-round annual review. The domestic industry had withdrawn the request for the seventh-round annual review for the years 2015 and 2016, and as a result, the administrative review with respect to Fuwei was rescinded and no changes were made to the deposit rate.

In addition, if other countries or regions, such as the European Union, take trade protection measures against China's BOPET film or downstream industries, our BOPET film business may be adversely affected.

China's actions to save energy and reduce emissions may adversely affect our business, by subjecting us to significant new costs and restrictions on our operations.

Recently, the Chinese government has tightened its control over energy saving and emission reduction. The Chinese government intends to reduce energy consumption for gross domestic products and water consumption for industrial added value. Some of our manufacturing plants that use significant amounts of energy, including electricity and gas, are likely to be affected by this plan. Therefore, our operation might be influenced by the energy saving and emission reduction measures of the Chinese government. Regulations for restricting greenhouse gas emissions may increase the prices of the electricity we purchase, increase costs for our use of natural gas, potentially restrict access to or the use of natural gas, or require us to purchase allowances to offset our emissions or result in an overall increase in our costs of raw materials, any of which could increase costs and negatively affect our BOPET film business operations or financial results.

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements in relation to the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

The PRC government regulates telecommunications-related businesses through strict business licensing requirements and other government regulations. These laws and regulations also include limitations on foreign ownership of PRC companies that engage in telecommunications-related businesses. Specifically, subject to undertakings for opening telecommunication industries made by China for joining WTO, foreign investors are not allowed to own more than 50% equity interest in any PRC company engaging in value-added telecommunications businesses, except for those in a few categories, such as e-commerce, domestic multiparty communication, storage-and-forward, and call center services according to the Special Administrative Measures for Foreign Investment Access (Negative List) (Edition 2021) effective on January 1, 2022, which may be amended, supplemented or otherwise modified from time to time (the "Negative List"). It is further required under the currently effective Provisions on the Administration of Foreign Invested Telecommunications Enterprises (the "FITE Regulations") that the primary foreign investor must also have experience and a good track record in providing value-added telecommunications services (the "VATS") overseas. The FITE Regulations was recently amended on April 7, 2022 and has become effective since May 1, 2022, among which, the previous requirement on the primary foreign investor's experience and good track record has been cancelled. However, this modification is relatively new, uncertainties still exist in relation to its interpretation and implementation.

Because we are an exempted company incorporated in the Cayman Islands, we are classified as a foreign enterprise under PRC laws and regulations, and its subsidiaries in the PRC are foreign-invested enterprises (the "FIEs"). As our current business and business plan are deemed as kinds of VATS, which are subject to restrictions or prohibitions, while FIEs may not be eligible to operate VATS business in China according to above mentioned restrictions, we conduct our business in China through its VIE. Given that the telecommunication authorities generally implement look-through approach for the supervision of the value-added telecommunications license, there are risks that we may be required by the telecommunication authorities to re-apply for value-added telecommunications license in accordance with the FITE Regulations, which could adversely affect our business, operating results and financial condition. We have, through Zhejiang WFOE, entered into a series of contractual arrangements, including the exclusive technical and consulting services agreement, powers of attorney, exclusive option agreements and equity interest pledge agreements, as amended and restated, with the VIE, as well as the shareholders of the VIE. These contractual arrangements entered into with the VIE allow us to receive substantially all of the economic benefits of the VIE and its subsidiaries, and have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law. As a result of these contractual arrangements, we are the primary beneficiary of the VIE and hence consolidate the financial results of the VIE under U.S. GAAP.

We believe that our corporate structure and contractual arrangements comply with the current applicable PRC laws and regulations. Our PRC counsel, Dentons, is of the view that the contractual arrangement in relation to the VIE and all of the contracts among Zhejiang WFOE, the VIE and the shareholders of the VIE are valid and binding in accordance with its terms. However, as there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including the PRC Foreign Investment Law, the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, and the Telecommunications Regulations and the relevant regulatory measures concerning the telecommunications industry, there can be no assurance that the PRC government authorities, such as the Ministry of Commerce of the People's Republic of China (the "MOFCOM"), or the MIIT or other authorities that regulate internet content providers and other participants in the telecommunications industry, would agree that our corporate structure or any of the above contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have broad discretion in interpreting these laws and regulations.

In addition, Mr. Gangjiang Li owns the majority of our voting shares. Mr. Guangjiang Li, along with a small number of other employees, together the nominee shareholders, own the majority of the voting shares of the VIE respectively. The enforceability, and therefore the benefits, of the contractual agreements between us and the VIE depend on these individuals enforcing the contracts. There is a risk that the benefits of ownership between us and the VIE may not be aligned in the future. Given the significance and importance of the VIE, there would be a significant negative impact to us if these contracts were not enforced. The fact that there are currently more than 20 shareholders and holders of warrants in the VIE further heightens this risk.

If our corporate structure and contractual arrangements are deemed by the MIIT, the MOFCOM or other regulators having competent authority to be illegal, either in whole or in part, we may lose control of the VIE and have to modify such structure to comply with regulatory requirements. However, there can be no assurance that we can achieve this without material disruption to our business. Further, if our corporate structure and contractual arrangements are found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking our business and operating licenses;
- levying fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- restricting our right to collect revenues;
- shutting down our services;
- discontinuing or restricting our operations in China;
- imposing conditions or requirements with which we may not be able to comply;
- requiring us to change our corporate structure and contractual arrangements;
- restricting or prohibiting our use of the proceeds from overseas offering to finance the VIE's business and operations; and
- taking other regulatory or enforcement actions that could be harmful to our business.

Furthermore, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. Occurrence of any of these events could adversely affect our business, operating results and financial condition. In addition, if the imposition of any of these penalties or requirement to restructure our corporate structure causes us to lose the rights to direct the activities of the VIE or the right to receive economic benefits, we would no longer be able to consolidate the financial results of such VIE in our consolidated financial statements.

We rely on contractual arrangements with the VIE and the shareholders of the VIE to operate our business, which may not be as effective as equity ownership in providing operational control and could adversely affect our business, operating results and financial condition.

We rely on contractual arrangements with the VIE and the shareholders of the VIE to operate our business in the PRC. These contractual arrangements may not be as effective as equity ownership in providing us with control over the VIE. If the VIE or the shareholders of the VIE fail to perform their respective obligations under these contractual arrangements, our recourse to the assets held by the VIE is indirect, and we may have to incur substantial costs and expend significant resources to enforce such arrangements in reliance on legal remedies under PRC law. The fact that there are currently more than 20 shareholders and holders of warrants in the VIE (all of which have entered into the VIE Contracts) further heightens this risk. These remedies may not always be effective, particularly in light of uncertainties in the PRC legal system. Furthermore, in connection with litigation, arbitration or other judicial or dispute resolution proceedings, assets under the name of any of record holder of equity interest in the VIE, including such equity interest, may be put under court custody. As a consequence, we cannot be certain that the equity interest will be disposed of pursuant to the contractual arrangement or ownership by the record holder of the equity interest. In addition, though we have entered into equity interest pledge agreements with the shareholders of the VIE, our remedies under the equity interest pledge agreements are primarily intended to help us collect debts owed to us by the VIE or the shareholders of the VIE under the contractual arrangements and may not help us in acquiring the assets or equity of the VIE.

All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions. As a result, uncertainties in the PRC legal system could limit its ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how such contractual arrangements should be interpreted or enforced under PRC laws. Significant uncertainties exist regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final and parties cannot appeal arbitration results in court unless such rulings are revoked or determined unenforceable by a competent court. If the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over the VIE and relevant rights and licenses held by us which we require in order to operate our business, and our ability to conduct our business may be adversely affected.

The arbitration provisions under these contractual arrangements have no effect on the rights of our shareholders to pursue claims against us under U.S. federal securities laws.

Our ability to enforce the equity interest pledge agreements among Zhejiang WFOE, the VIE and each shareholder of the VIE may be subject to limitations based on PRC laws and regulations.

Pursuant to the equity interest pledge agreements among Zhejiang WFOE, the VIE and each shareholder of the VIE, such shareholder pledges all of his or her equity interests in the VIE to Zhejiang WFOE to secure the performance by the VIE and its shareholders of their respective obligations under the applicable contractual agreements.

As of the date of this transition report, the pledge of the equity interests in the VIE has not been completed and the equity interest pledge under the equity interest pledge agreements has not been registered with local Administration for Market Regulation although the equity interest pledge agreements have been executed. Under the PRC Civil Code, when a pledgor fails to pay its debt when due, the pledgee may choose to either conclude an agreement with the pledgor to obtain the pledged equity or seek payments from the proceeds of the auction or sale of the pledged equity. The PRC Civil Code further provides that the registration is necessary to create security interest on the shares of a PRC company limited by shares, which means that before the equity interest pledge is duly registered, such pledge is unenforceable even though the relevant equity interest pledge agreement is binding. Prior to the completion of the registration, we may not be able to successfully enforce the equity interest pledges against any third parties who have acquired the equity interests in good faith in the VIE.

The shareholders of the VIE may have potential conflicts of interest with us, which could adversely affect our business, operating results and financial condition.

The interests of the shareholders of the VIE in their capacities as such shareholders may differ from our interests as a whole. There can be no assurance that when conflicts of interest arise, any or all of these shareholders will act in our best interests, or those conflicts of interest will be resolved in our favor. In addition, these shareholders may breach or cause the VIE to breach or refuse to renew the existing contractual arrangements with us. Since there are more than 20 shareholders of the VIE including some shareholders who are concurrently holding (via themselves or their respective affiliate(s)) outstanding warrants to subscribe for Class A ordinary shares, there is a heightened risk of one or more shareholders of the VIE breaching or causing the VIE to breach or refusing to renew the existing contractual arrangements with us, and we may not be able to obtain consent and cooperation from all the shareholders in further actions with respect to the VIE, such as the transfer of equity interests in the VIE to our designee.

Currently, we do not have arrangements to address potential conflicts of interest the shareholders of the VIE, on the one hand, and as our beneficial owners, on the other hand. We, however, could, at all times, exercise the option under the exclusive option agreement to cause the shareholders of the VIE to transfer all of their equity ownership in the VIE to our wholly-owned subsidiaries or an entity or individual designated by us as permitted by the then applicable PRC laws. In addition, if such conflicts of interest arise, we could also, in the capacity of attorney-in-fact of the then existing shareholders of the VIE as provided under the powers of attorney, directly appoint new directors of the VIE. We rely on the shareholders of the VIE to comply with PRC laws and regulations, which provide that directors and executive officers owe a duty of loyalty to its company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gains, and with the laws of the Cayman Islands, which provide that directors have a duty of care and a duty of loyalty to act honestly in good faith with a view to its best interests. However, the legal frameworks of China and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict with another corporate governance regime. If we cannot resolve any conflicts of interest or disputes between us and the shareholders of the VIE, we may have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

Contractual arrangements in relation to the VIE may be subject to scrutiny by the PRC tax authorities and they may determine that the VIE owes additional taxes, which could adversely affect our business, operating results and financial condition.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. The PRC enterprise income tax law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among Zhejiang WFOE, the VIE and the shareholders of the VIE were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, regulations and rules, and adjust their income in the form of a transfer pricing adjustment, which could increase their PRC tax liabilities and its overall tax liabilities. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Zhejiang WFOE or the VIE for PRC tax purposes, which could in turn increase their tax liabilities without reducing their tax expenses. In addition, if Zhejiang WFOE requests the shareholders of the VIE to transfer their equity interests in the VIE at nominal or no value pursuant to these contractual arrangements, such transfer could be viewed as a gift and subject the relevant subsidiary to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on Zhejiang WFOE and VIE for adjusted but unpaid taxes according to applicable regulations. Our financial position could be materially and adversely affected if the tax liabilities of Zhejiang WFOE and VIE increase, or if they are required to pay late payment fees and other penalties.

We may lose the ability to use and enjoy assets held by the VIE that are material to the operation of our business if the VIE declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

The VIE holds substantially all of our assets in China. Under the contractual arrangements, the VIE may not and the shareholders of the VIE may not cause it to, in any manner, sell, transfer, mortgage or dispose of its assets or its legal or beneficial interests in the business without our prior consent. However, in the event that the shareholders of the VIE breach these contractual arrangements and voluntarily liquidate the VIE, or the VIE declares bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities or otherwise benefit from the assets held by the VIE, which could adversely affect our business, operating results and financial condition. If the VIE undergoes a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could adversely affect our business, operating results and financial condition.

Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law, and its enactment could adversely affect our business, operating results and financial condition.

The MOFCOM published a discussion draft of the proposed Foreign Investment Law (2015) (the "2015 Draft"), in January 2015 aiming to, upon its enactment, replace the major existing laws and regulations governing foreign investment in China. In December 2018, the Standing Committee of the National People's Congress, or the SCNPC published the draft Foreign Investment Law (2018), which was further amended and published in January 2019, as a second draft for comment. In March 2019, a new draft of Foreign Investment Law was submitted to the National People's Congress for review and was approved on March 15, 2019, which came into effect recently on January 1, 2020. The Foreign Investment Law replaced the three laws on foreign investment, i.e., the Wholly Foreign-owned Enterprise Law of the PRC, the Cooperative Joint Venture Law of the PRC and the Equity Joint Venture Law of the PRC.

Pursuant to the Foreign Investment Law, "foreign investment" refers to investment activities directly or indirectly conducted by one or more natural persons, business entities, or otherwise organizations of a foreign country within China, or foreign investors, and the investment activities include the following situations: (1) a foreign investor, individually or collectively with other investors, establishes an FIE in China; (2) a foreign investor acquires stock shares, equity shares, shares in assets, or other similar rights and interests of an enterprise within China; (3) a foreign investor, individually or collectively with other investors, invests in a new project in China; and (4) investments in other means as provided by laws, administrative regulations, or the State Council.

The 2015 Draft introduced certain concepts for the regulation of "variable interest entity" structure, or the VIE structures, such as "actual control" and "controlling PRC companies by contracts or trusts". However, the enacted Foreign Investment Law, as well as its implementation rules which was promulgated on December 26, 2019 and took effect on January 1, 2020, no longer mention the relevant concepts for the regulation of these variable interest entity structures. Instead, the newly promulgated Foreign Investment Law contains a catch-all provision, stating that investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council shall also be deemed as foreign investments. In consideration of the above, there are significant uncertainties as to the interpretation and implementation of such new legislation and how the control status of the VIE would be determined under the enacted Foreign Investment Law. We also face uncertainties as to whether the interpretation and implementation of such new legislation or regulations promulgated in the future would mandate further actions, such as MOFCOM market entry clearance or certain restructuring of corporate structure and operations, to be completed by companies with existing VIE structure and whether these actions can be timely completed, or at all, and our business and financial condition may be materially and adversely affected. If we are not able to obtain any approval when required, our contractual arrangements may be regarded as invalid and illegal, which could adversely affect our business, operating results and financial condition. As a result, we may not be able to (1) continue our business in China through the contractual arrangements with the VIE, (2) exert effective control over the VIE, or (3) consolidate the financial results of, and receive economic benefits from the VIE under existing contractual arrangements.

In addition, our corporate governance practice may be impacted and our compliance costs could increase if the VIE was considered as FIEs under the Foreign Investment Law. For instance, the Foreign Investment Law purports to impose ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Any company found to be non-compliant with these information reporting obligations could potentially be subject to fines or administrative liabilities.

Risks Related to Doing Business in China

Changes in the political and economic policies of the PRC government could adversely affect our business, operating results and financial condition, and may result in our inability to sustain our growth and expansion strategies.

A substantial part of our operations are based in the PRC and a significant portion of our revenues are generated from our operations in the PRC. Accordingly, our business, operating results and financial condition are affected to a significant extent by economic, political and legal developments in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past three decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our business, operating results and financial condition could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented certain measures to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for their services and consequently adversely affect their business, operating results and financial condition, and cause the value of their securities to significantly decline or become worthless.

Furthermore, we, as well as investors of our securities, face uncertainty about future actions by the PRC government that could significantly affect our financial performance and operations, including the enforceability of the VIE contractual arrangements. If future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing VIE contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to adapt to any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

As of the date of this transition report, there are no laws, regulations or other rules require us to obtain permission or approvals from Chinese authorities to list on U.S. exchanges, and we have not received or denied such permission. However, there is a risk that we will not receive or will be denied permission from Chinese authorities to list on U.S. exchanges in the future, which could significantly limit or completely hinder our ability to offer or continue to offer the securities to investors and cause the value of the ordinary shares to significantly decline or be worthless.

We may be adversely affected by the complexity, uncertainties and changes in PRC laws, rules and regulations, particularly of internet businesses. There is a risk that the PRC government may exert more oversight and control over offerings that are conducted overseas, which could materially and adversely affect our business and hinder our ability to continue our operations, and cause the value of our securities to significantly decline or become worthless.

A significant portion of our operations are conducted in the PRC and are governed by PRC laws, rules and regulations. Zhejiang WFOE and VIE are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value in the PRC.

In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new, the number of published decisions and the nonbinding nature of such decisions is limited, and the laws, rules and regulations often give the relevant regulator significant discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published in a timely manner, or at all, and which may have a retroactive effect. As a result, we may not be aware of the violation of these policies and rules until after the occurrence of the violation. Moreover, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede their ability to enforce the contracts we have entered into and could adversely affect our business, operating results and financial condition.

There are uncertainties regarding the enforcement of PRC laws, and rules and regulations in China can change quickly with little advance notice. Any actions by the Chinese government to exert more oversight and control over offerings that are conducted overseas could materially and adversely affect our business and hinder our ability to offer securities overseas, or continue our operations, and cause the value of our securities to significantly decline or become worthless.

The Chinese government heavily regulates the internet industry, including relevant market access restrictions and limitations on foreign investment, license and permit requirements for service providers in the internet industry. Since some of the laws, regulations and legal requirements with respect to the internet are relatively new and evolving, their interpretation and enforcement involve significant uncertainties. Because the Chinese legal system is based on written statutes, such that prior court decisions can only be cited for reference and have little precedential value, it is in many cases difficult to determine what actions or omissions may result in liabilities.

Issues, risks and uncertainties relating to China's government regulation of the Chinese internet sector include the following.

- We operate our business in China through businesses controlled through contractual arrangements rather than equity ownership due to restrictions on foreign investment in businesses related to value- added telecommunication services.

- Uncertainties relating to the regulation of the internet business in China, including evolving licensing practices, give rise to the risk that some of our permits, licenses or operations may be subject to challenges, which may be disruptive to our business, subject us to sanctions or require us to increase capital, compromise the enforceability of relevant contractual arrangements, or have other adverse effects on us. The numerous and often vague restrictions on acceptable content in China subject us to potential civil and criminal liability, temporary blockage or complete shut-down of our products. For example, the State Secrecy Bureau, which is directly responsible for the protection of state secrets of all Chinese government and Chinese Communist Party organizations, is authorized to block any website or mobile applications it deems to be leaking state secrets or failing to meet the relevant regulations relating to the protection of state secrets in the distribution of online information. In addition, the Law on Preservation of State Secrets which became effective on October 1, 2010 provides that whenever an internet service provider detects any leakage of state secrets in the distribution of online information, it should stop the distribution of such information and report to the authorities of state security and public security. As per request of the authorities of state security, public security or state secrecy, the internet service provider should delete any content on its website that may lead to disclosure of state secrets. Failure to do so on a timely and adequate basis may subject the service provider to liability and certain penalties imposed by the State Security Bureau, Ministry of Public Security or MIIT, or their respective local counterparts.

- In addition, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council recently jointly issued the Opinions on Strictly Cracking Down on Illegal Securities Activities According to Law, or the Opinions, which were made available to the public on July 6, 2021. The Opinions emphasized the need to strengthen the supervision over overseas listings by China-based companies. Effective measures, such as promoting the construction of relevant regulatory systems, are to be taken to deal with the risks and incidents of China-based overseas-listed companies, cybersecurity and data privacy protection requirements and similar matters. On December 28, 2021, the CAC, together with 12 other government agencies, jointly issued the Review Measures, which became effective on February 15, 2022 requiring that, among others, the purchase of network products and services by a "critical information infrastructure operator" and the data processing activities of a "network platform operator" that affect or may affect national security shall be subject to the cybersecurity review. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. The Review Measures also provides that any "network platform operators" holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange. On November 14, 2021, the CAC published the Network Data Security Management Regulations for public comments, which among others further requires that a data processor who processes important data or who is listed overseas shall complete an annual data security assessment either self-conducted or conducted by a data security service organization engaged, and before January 31 of each year, submit the annual data security assessment report of the previous year to the local cyberspace affairs administration department. Since the Review Measures, the Network Data Security Management Regulations being drafted and the Opinions remain unclear on how it will be interpreted, amended and implemented by the relevant PRC governmental authorities, it remains uncertain how PRC governmental authorities will regulate overseas listing in general and how we will be affected. As of the date of this transition report, we have not received any notice from any authorities identifying any of its PRC subsidiaries or the VIE as a critical information infrastructure operator or requiring us to go through cybersecurity review or network data security review by the CAC. We believe that our listing in the U.S. will not be affected by the Review Measures or Network Data Security Management Regulations, and our PRC operations will not be subject to cybersecurity review or network data security review by the CAC for listing in the United States, because we are not a critical information infrastructure operator or data processing operators with personal information of more than one million users. There remains uncertainty, however, as to how the Review Measures and the Network Data Security Management Regulations will be interpreted or implemented and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretations related to the Review Measures and the Network Data Security Management Regulations. If the CSRC, CAC or other regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for future offshore offerings, we may be unable to obtain such approvals in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could significantly limit or completely hinder their ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In addition, implementation of industry-wide regulations directly targeting their operations could cause the value of our securities to significantly decline. Therefore, investors face potential uncertainty from actions taken by the PRC government affecting our business.

Due to the increasing popularity and use of the internet and other online services, it is possible that a number of laws and regulations may be adopted with respect to the internet or other online services covering issues such as user privacy, cybersecurity, data protection, pricing, content, copyrights, distribution, antitrust and characteristics and quality of products and services. The adoption of additional laws or regulations may impede the growth of the internet or other online services, which could, in turn, decrease the demand for our products and services and increase our cost of doing business. The interpretation and application of existing PRC laws, regulations and policies, the stated positions of relevant PRC government authorities and possible new laws, regulations or policies have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in China, including our business.

The Chinese government exerts substantial influence over the manner in which we must conduct our business, and may intervene or influence our operations at any time, which could result in a material change in our operations, significantly limit or completely hinder our ability to offer securities overseas, and cause the value of the ordinary shares to significantly decline or be worthless.

The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, environmental regulations, land use rights, property and other matters. The central or local governments of these jurisdictions may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure compliance with such regulations or interpretations. Accordingly, government actions in the future, including any decision not to continue to support recent economic reforms and to return to a more centrally planned economy or regional or local variations in the implementation of economic policies, could have a significant effect on economic conditions in China or particular regions thereof, and could require us to divest any interest we then hold in Chinese properties.

As such, our business is subject to various government and regulatory interferences. We could be subject to regulation by various political and regulatory entities, including various local and municipal agencies and government sub-divisions. We may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any non-compliance incidents. Our operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to our business or industry, which could result in a material change in our operation and the value of the ordinary shares.

Furthermore, given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas, although we are currently not required to obtain permission from any of the PRC federal or local government authorities and have not received any denial to list on a U.S. exchange, it is uncertain when and whether we will be required to obtain permission from the PRC government to list on U.S. exchanges in the future, and even when such permission is obtained, whether it will be denied or rescinded, which could significantly limit or completely hinder our ability to offer securities overseas, and cause the value of its ordinary shares to significantly decline or be worthless.

We may be required to obtain and maintain permits, filings and licenses to operate our business in China.

Our business activities mainly include offering real-time engagement products that enable interactions through audio, video or message within mobile applications, which may be regarded as value-added telecommunications services under the Catalog of Telecommunications Business, or the Catalog, which was recently revised and promulgated on June 6, 2019. Considering the products we offer and the way our services are provided to our customers, we are of the view that our business activities fit into domestic multi-party communication services and information services under the Catalog. We are required to obtain the value-added telecommunication business operation licenses with service scope for provision of domestic multi-party communication services (the "DMPC license"), and for provision of information services (the "IS license"). Nanjing Baijiayun Technology Co., Ltd. obtained the DMPC license with national coverage on December 3, 2019. The VIE, Nanjing Baijiayun Technology Co., Ltd., Wuhan BaiJiaShiLian Technology Co., Ltd. and Guizhou Baijia Cloud Technology Co., Ltd. have obtained the IS licenses. However, the video cloud industry is still at a nascent stage of development and the laws and regulations regarding licenses for value added telecommunication services in the PRC are continuously evolving. Though the above licenses have already been obtained to minimize the risk arising from the PRC regulator's different interpretation and enforcement on relevant laws, rules and regulations, it is possible that the businesses described in the Catalog, along with other relevant rules and regulatory requirements for the licenses, may further be interpreted and applied in a manner that is inconsistent with our understanding above, which means that we may be required by the PRC regulators to update our existing licenses or to obtain additional licenses under the current Catalog, or under future laws, rules and regulations applicable to our business as promulgated and amended from time to time.

Currently, we hold two internet mobile applications, named “Cloud Classroom” and “Cloud Live”. According to the introduction of “Cloud Classroom” in the APP Store, it is an interactive live streaming tool that focuses on the education and training industry, helping customers in such industry to quickly develop online live courses business. The PRC Administrative Measures on Filing of Educational Mobile Apps requires the operators of educational mobile applications to file such application with competent provincial regulatory authorities. However, there is no specific punishment towards operators who fail to file such applications. We did not complete the filing of our operating applications, as we do not deem our applications as educational mobile applications. Based on the recent verbal consultations with competent authorities, our applications would not be regarded as educational mobile applications, and thus, we are not required to file these applications with competent authorities. As of the date of this transition report, we confirmed that we have never been interviewed, criticized, or included in the blacklist of educational mobile application operators by PRC government authorities due to our lack of filing of educational mobile applications. Pursuant to the Administrative Measures for the Graded Protection of Information Security, entities operating information systems shall determine the security protection grade of the information system pursuant to the Measures for the Graded Protection of Information Security and the Guidelines for Grading of Classified Protection of Cyber Security, and report such grade to the relevant department for examination and approval. Pursuant to the PRC Cybersecurity Law, if network operators do not perform cybersecurity protection duties of classified protection of cybersecurity, the competent authorities shall order the operator to make correction and give warnings. We operate several information systems, however, have only obtained the Information System Security Level Protection Record Certificate for our “Cloud Classroom” system. As of the date of this transition report, we confirm that we have never been warned, or ordered to make correction due to lack of filing of the information systems.

Though the lack of filing of educational mobile applications and information systems has not affected our business and results of operations at current stage, it is possible that the laws, rules and regulations may further be interpreted and applied in a manner that is inconsistent with understanding above, or be promulgated and amended from time to time, which could adversely affect our business operations in the future.

We will continuously assess the need to obtain and renew permits, filings and licenses to operate our business, closely consult the supervisory authority having jurisdiction over us, and follow their guidance in a timely manner to ensure they run their business legally. However, we may fail, on acceptable terms and in a timely manner, or at all, to obtain, maintain or update the permits, filings and licenses they may need to operate and expand their business from time to time and as required by the supervisory authorities. Business operations without proper permits, filings and licenses may subject us to administrative penalties by relevant PRC regulators with measures including fines, and in very extreme cases, confiscation of the gains derived from the operations, being required to discontinue or restrict our operations and being placed in the credit blacklist made by the PRC regulator, and our business, operating results and financial condition could be materially adversely affected.

Our contractual arrangements with the VIE are governed by the laws of the PRC and it may have difficulty in enforcing any rights it may have under these contractual arrangements.

As all of our contractual arrangements with the VIE are governed by the PRC laws and provide for the resolution of disputes through arbitration in the PRC, they would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. Disputes arising from these contractual arrangements will be resolved through arbitration in China, although these disputes do not include claims arising under the United States federal securities law and thus do not prevent you from pursuing claims under the United States federal securities law. The legal environment in the PRC is not as developed as in the United States. As a result, uncertainties in the PRC legal system could further limit our ability to enforce these contractual arrangements, through arbitration, litigation and other legal proceedings remain in China, which could limit our ability to enforce these contractual arrangements and exert effective control over the VIE. Furthermore, these contracts may not be enforceable in China if PRC government authorities or courts take a view that such contracts contravene PRC laws and regulations or are otherwise not enforceable for public policy reasons. In the event we are unable to enforce these contractual arrangements, we may not be able to consolidate the financial results of the VIE under U.S. GAAP, and our ability to conduct our business may be materially and adversely affected.

Recent regulatory development in China may exert more oversight and control over listing and offerings that are conducted overseas. The approval of the CSRC may be required in connection with the listing of our securities on Nasdaq and our future capital raising activities, and, if required, we cannot assure you that we or the VIE will be able to obtain such approval.

Under the current Regulations on Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M&A Rules"), as jointly adopted by six PRC regulatory agencies in 2006 and amended in 2009, an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets is required to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

Our PRC counsel, Dentons, has advised us based on their understanding of the current PRC laws, regulations and rules that the CSRC's approval under the M&A Rules may not be required for the listing our securities on the Nasdaq Stock Market, given that: (1) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours in this and the final prospectus are subject to the M&A Rules, (2) the WFOEs were incorporated as wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules, and (3) no explicit provision in the M&A Rules clearly classifies contractual arrangements as a type of acquisition transaction subject to the M&A Rules.

However, our PRC counsel has further advised us that it remains uncertain as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its opinions summarized above are subject to any new laws, regulations and rules or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, might, from time to time, further clarify or interpret the M&A Rules in writing or orally and require their approvals to be obtained for the listing of our securities on the Nasdaq Stock Market. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC counsel does. If it is determined that CSRC approval under the M&A Rules is required for the listing of our securities on the Nasdaq Stock Market, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to obtain or delay in obtaining CSRC approval. These sanctions may include fines and penalties on the operations in China, delays in or restrictions on the repatriation of the proceeds from overseas offering into China, restrictions on or prohibition of the payments or remittance of dividends by the WFOEs or the VIE in China, or other actions that could have a material and adverse effect on our business, results of operations, financial condition, reputation and prospects, as well as the trading price of our ordinary shares.

Furthermore, the PRC regulatory authorities have recently exerted more oversight and control over offerings that are conducted overseas. On July 6, 2021, the General Office of the State Council of the PRC, together with another regulatory authority, jointly promulgated the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law, which calls for enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities. On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (the "Draft Rules Regarding Overseas Listing"), for public comments until January 23, 2022. The Draft Rules Regarding Overseas Listing comprehensively improved and reformed the exiting regulatory system for overseas offering and listing of domestic companies, and brought all overseas listing activities including both direct and indirect overseas offering and listing under regulation by adopting a filing-based administration system. The Draft Rules Regarding Overseas Listing stipulates that the China-based companies, or the issuer, shall fulfill the filing procedures within three working days after the issuer makes an application for initial public offering and listing in an overseas market. In addition, an overseas offering and listing is prohibited under any of certain circumstances, including, among others, prohibition by national laws and regulations and relevant provisions, threatening to or endangering national security, material violation of laws by the company or its controllers or its directors, supervisors, or senior executives. The Draft Rules Regarding Overseas Listing defines the legal liabilities of breaches such as failure in fulfilling filing obligations or fraudulent filing conducts, imposing a fine between RMB1 million and RMB10 million, and in cases of severe violations, a parallel order to suspend relevant business or halt operation for rectification, revoke relevant business permits or operational license.

As of the date of this transition report, the Draft Rules Regarding Overseas Listing has not come into effect, there remains uncertainty in the final form and the interpretation and implementation of such overseas listing rules, and we cannot assure you that the relevant PRC government authorities, including the CSRC, would not promulgate new rules or new interpretation of current rules to require us or the VIE to obtain CSRC or other PRC government approvals or complete other compliance procedures for the listing of our securities on the Nasdaq Stock Market. We cannot assure you that we or the VIE would be able to obtain such approvals or complete such other compliance procedures, to the extent that they may be subsequently required by the relevant regulatory authorities, in a timely manner, or at all, or that any completion of review or approval or other compliance procedures would not be rescinded. Any failure to obtain or delay in obtaining such approval or completing such procedures for the listing of our securities on the Nasdaq Stock Market or future capital raising activities as required under the Draft Rules Regarding Overseas Listing, or a rescission of any such approval obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose restrictions and penalties on the operations in China, significantly limit or completely hinder our ability to launch any new offering of our securities, limit our ability to pay dividends outside of China, delay or restrict the repatriation of the proceeds from future capital raising activities into China, or take other actions that could materially and adversely affect our business, results of operations, financial condition and prospects, as well as the trading price of the ordinary shares. Accordingly, the value of your investment may be materially and adversely affected or become worthless.

Furthermore, the PRC government authorities may further strengthen oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers like us. Any such action may adversely affect our operations and significantly limit or completely hinder our ability to offer or continue to offer securities to you and cause the value of such securities to significantly decline or be worthless.

Significant uncertainties exist in relation to the interpretation and implementation of, or proposed changes to, the PRC laws, regulations and policies regarding the online private education industry may adversely affect our business, financial condition, results of operations and prospect.

The regulatory environment with respect to the industry that we have been operating in China is changing rapidly for the past years and therefore is subject to substantial uncertainties. The PRC private education industry, especially the after-school tutoring sector, has experienced intense scrutiny and has been subject to significant regulatory changes recently. In particular, the Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education jointly promulgated by the General Office of State Council and the General Office of Central Committee of the Communist Party of China on July 24, 2021, sets out a series of operating requirements on after-school tutoring institutions, including, among other things, online academic after-school tutoring institutions that have filed with the local education administration authorities will be subject to review and re-approval procedures by competent government authorities, and any failure to obtain such approval will result in the cancellation of its previous filing and internet content provider license, or the ICP license.

Since our customers operate in a broad range of industries, including private education industry, we are closely monitoring the evolving regulatory environment. However, our business, financial condition, results of operations and prospect may be materially and adversely affected due to restrictions on private education industry. We also cannot assure that there will not be any new rules or regulations in China on business regarding education sector that our customers currently operate, or such new rules and regulations will not subject our business operations to further adjustments and in the event of such changes, our business operations may be adversely impacted.

The ordinary shares will be delisted and prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or if proposed changes to the law are enacted, for two consecutive years. The delisting of the ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the HFCAA has been signed into law on December 18, 2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for three consecutive years, the SEC shall prohibit our ordinary shares from being traded on a national securities exchange or in the over-the-counter market in the United States.

On December 2, 2021, the SEC adopted final amendments to its rules implementing the HFCAA, which include requirements to disclose information, including the auditor name and location, the percentage of shares of the issuer owned by governmental entities, whether governmental entities in the applicable foreign jurisdiction with respect to the auditor has a controlling financial interest with respect to the issuer, the name of each official of the Chinese Communist Party who is a member of the board of the issuer, and whether the articles of incorporation of the issuer contains any charter of the Chinese Communist Party. These amendments also establish procedures the SEC will follow in identifying issuers and prohibiting trading by certain issuers under the HFCAA, including that the SEC will identify an issuer as a "Commission-identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a Commission-Identified Issuer for three consecutive years.

In March 2022, the SEC issued its first "Conclusive list of issuers identified under the HFCAA" indicating that those companies are now formally subject to the delisting provisions if they remain on the list for three consecutive years. As of the date of this transition report, more than 170 public companies have been listed in as issuers identified under the HFCAA.

In August 2022, the PCAOB, the CSRC and the Ministry of Finance of the PRC signed the Statement of Protocol, which establishes a specific and accountable framework for the PCAOB to conduct inspections and investigations of PCAOB-governed accounting firms in mainland China and Hong Kong. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainties and depends on a number of factors out of our and our auditor's control. The PCAOB continues to demand complete access in mainland China and Hong Kong moving forward and is making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. On December 29, 2023, the Consolidated Appropriations Act was signed into law, which, among others, amended the HFCAA to reduce the number of consecutive years an issuer can be identified as a Commission-Identified Issuer before the SEC must impose an initial trading prohibition on the issuer's securities from three years to two. If the PCAOB is unable to inspect and investigate completely registered public accounting firms located in China in 2023 and beyond, or if we fail to, among others, meet the PCAOB's requirements, including retaining a registered public accounting firm that the PCAOB determines it is able to inspect and investigate completely, we will be identified as a "Commission-identified Issuer," and upon the expiration of the applicable years of non-inspection under the HFCAA and relevant regulations, the ordinary shares will be delisted from the Nasdaq Stock Market and our ordinary shares will not be permitted for trading over the counter either. If our ordinary shares are prohibited from trading in the United States, we cannot assure you that we will be able to list on a non-U.S. exchange or that a market for our ordinary shares will develop outside of the United States. Such a prohibition would substantially impair your ability to sell or purchase the ordinary shares when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of the ordinary shares. Moreover, the HFCAA or other efforts to increase U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of the ordinary shares could be adversely affected. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

PRC laws and regulations mandate complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to make acquisitions in China.

PRC laws and regulations, such as the M&A Rules, and other relevant rules, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, or that the approval from the MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to a merger control security review. In August 2011, the MOFCOM promulgated the Rules of the Ministry of Commerce on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or MOFCOM Security Review Rules, effective from September 1, 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to a security review by the MOFCOM, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements of offshore transaction. Factors that the MOFCOM considers in its review are whether an important industry is involved, such transaction involves factors that have had or may have an impact on national economic security and such transaction will lead to a change in control of a domestic enterprise that holds a well-known PRC trademark or a time-honored PRC brand. If a business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company. Complying with the requirements of the relevant regulations to complete any such transaction could be time-consuming, and any required approval process, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC-resident beneficial owners, Zhejiang WFOE or the VIE to liability or penalties, limit our ability to inject capital into Zhejiang WFOE and the VIE or limit the WFOE's and the VIE's ability to increase their registered capital or distribute profits.

The SAFE promulgated the Circular of the SAFE on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014, which replaced the former circular commonly known as "SAFE Circular 75" promulgated by the SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle". Pursuant to SAFE Circular 37, "control" refers to the act through which a PRC resident obtains the right to carry out business operation of, to gain proceeds from or to make decisions on a special purpose vehicle by means of, among others, shareholding entrustment arrangement. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as change of shareholders of the special purpose vehicle, increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

Mr. Gangjiang Li, Mr. Yi Ma and 11 natural persons completed the initial SAFE registration pursuant to SAFE Circular 37 in September 2021. We have notified substantial beneficial owners of ordinary shares who are PRC residents of their filing obligation, including the obligation to complete the SAFE registration and to make updates under SAFE Circular 37. Nevertheless, we may not be continuously aware of the identities of all of its beneficial owners who are PRC residents. We do not have control over its beneficial owners and there can be no assurance that all of our PRC-resident beneficial owners will comply with SAFE Circular 37 and subsequent implementation rules, and there is no assurance that the registration under SAFE Circular 37 and any amendment will be completed in a timely manner, or will be completed at all. The failure of our beneficial owners who are PRC residents to register or amend their foreign exchange registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future beneficial owners of its company who are PRC residents to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners, the WFOEs or the VIE to fines and legal sanctions. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to the WFOEs and the VIE and limit the WFOEs' ability to distribute dividends to us. These risks could adversely affect our business, operating results and financial condition.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

We are required under PRC laws and regulations to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. As of the date of this transition report, we have not made adequate employee benefit payments and may be required to make up the contributions for these plans in the amount of 110% of the amount in the preceding month. If we fail to make or supplement contributions of social security premiums within the stipulated period, the social security premiums collection agency may enquire into the deposit accounts of the employer with banks and other financial institutions. In an extreme situation, where we fail to contribute social security premiums in full amount and do not provide guarantee, the social security premiums collection agency may apply to a Chinese court for seizure, foreclosure or auction of our properties of value equivalent to the amount of social security premiums payable, and the proceeds from auction shall be used for contribution of social security premiums. If we are subject to deposit, seizure, foreclosure or auction in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected.

Any failure to comply with PRC regulations regarding employee equity incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in equity incentive plans in overseas non-publicly-listed companies due to their position as director, senior management or employees of the PRC subsidiaries of the overseas companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. Our directors, executive officers and other employees who are PRC residents and who have been granted options may follow SAFE Circular 37 to apply for the foreign exchange registration before we become an overseas listed company. As an overseas listed company, we and our directors, executive officers and other employees who are PRC residents and who have been granted options are subject to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, according to which, employees, directors, supervisors and other management members participating in any equity incentive plans of an overseas publicly listed company who are PRC residents are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We are making, and will make efforts to comply with these requirements, but there can be no assurance that they can successfully register with SAFE in full compliance with the rules. Failure to complete the SAFE registrations may subject relevant participants in the share incentive plans to fines and legal sanctions and may also limit the ability to make payment under the equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our wholly-foreign owned enterprise in China and limit the wholly-foreign owned enterprise's ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our directors and employees under PRC law.

We may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our PRC operating subsidiaries to make payments to us could adversely affect our ability to conduct our business.

We are a holding company and may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries and on remittances from the VIE for our offshore cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, fund inter-company loans, service any debt we may incur outside of China and pay our expenses. When our WFOEs or the VIE incur additional debt, the instruments governing the debt may restrict their ability to pay dividends, make loans or make other distributions or remittances to us. Furthermore, the laws, rules and regulations applicable to the WFOEs and the VIE permit payments of dividends only out of our retained earnings, if any, determined in accordance with applicable accounting standards and regulations.

Under PRC laws, rules and regulations, our WFOEs and the VIE are required to set aside at least 10% of their net income each year to fund certain statutory reserves until the cumulative amount of such reserves reaches 50% of their registered capital. These reserves, together with the registered capital, are not distributable as cash dividends. As a result of these laws, rules and regulations, our WFOEs and the VIE are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends, loans or advances.

Limitations on the ability of the VIE to make remittance to the wholly-foreign owned enterprise and on the ability of its subsidiaries to pay dividends to us could limit our ability to access cash generated by the operations of those entities, including making investments or acquisitions that could be beneficial to our businesses, paying dividends to our shareholders or otherwise funding and conducting our business.

The discontinuation of the preferential tax treatment available to us in China could adversely affect our business, operating results and financial condition.

Under PRC tax laws and regulations, some of our PRC subsidiaries currently benefit from a number of preferential tax treatments. For example, the modified EIT Law and its implementation rules generally impose a uniform income tax rate of 25% on all enterprises, but grant preferential treatment to "high and new technology enterprises strongly supported by the state," (the "HNTEs"), to enjoy a reduced enterprise tax rate of 15%. Wuhan Baijia Cloud Technology Co., Ltd., Wuhan BaiJiaShiLian Technology Co., Ltd., and Beijing Deran Technology Co., Ltd., and the VIE are now qualified as HNTEs. Continued qualification as a HNTE is subject to a three-year review by the relevant government authorities in China, and in practice certain local tax authorities also require annual evaluation of the qualification. In addition to the foregoing tax benefit, some of our PRC subsidiaries obtained the certificate of Qualified Software Enterprise and some of our products have obtained software product registration certificates, based on which the relevant PRC subsidiaries enjoy certain preferential enterprise income tax and value-added tax benefits, according to relevant rules including the Notice on Value-added Tax Policies for Software Products issued by the Ministry of Finance (the "MOF"), and the SAT, on October 13, 2011, the Notice on Enterprise Income Tax Policies for Further Encouraging the Development of Software and Integrated Circuit Industries issued by the MOF and the SAT on April 20, 2012, the Notice on Increasing the Proportion of Weighted Pre-tax Deduction for R&D Expenses issued by the MOF, the SAT and the Ministry of Science and Technology on September 20, 2018, and the Announcement on Enterprise Income Tax Policies for Promoting the High-Quality Development of Integrated Circuit and Software Industries issued by the MOF, the SAT, the National Development and Reform Commission, or the NDRC, and the MIIT on December 11, 2020. In the event the preferential tax treatment for our PRC subsidiaries are discontinued or are not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments, we will become subject to the standard tax rates and policies, including the PRC enterprise income tax rate of 25%. We cannot assure you that the tax authorities will not, in the future, discontinue our preferential tax treatment, potentially with retroactive effect.

We and our non-PRC subsidiaries may be treated as resident enterprises for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.

Under the modified Enterprise Income Tax Law of the PRC and its implementing rules, enterprises established under the laws of jurisdictions outside of China with "de facto management bodies" located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. "De facto management body" refers to a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise. The SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, on April 22, 2009. Circular 82 provides certain specific criteria for determining whether the "de facto management body" of a Chinese- controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreign enterprises or individuals, the determining criteria set forth in Circular 82 may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises or PRC enterprise groups. If we or any of our non-PRC subsidiaries were to be considered a PRC resident enterprise, we or the subsidiary would be subject to PRC enterprise income tax at the rate of 25% on our or our subsidiary's global income. In such case, our profitability and cash flow may be materially reduced as a result of our global income being taxed under the Enterprise Income Tax Law of the PRC. We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body".

If we become directly subject to the recent scrutiny, criticism and negative publicity involving U.S.-listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter, which could harm our business operations and reputation, and could result in a loss of investors' investment in our securities, especially if such matter cannot be addressed and resolved favorably.

Recently, U.S. public companies that have substantially all of their operations in China, have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the SEC. Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stock of many U.S. listed Chinese companies has sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on us and our business. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend itself. This situation may be a major distraction to our management. If such allegations are not proven to be groundless, we and our business operations will be severely hampered and investors' investment in our securities could be rendered worthless.

It may be difficult for overseas regulators to conduct investigations or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no foreign securities regulator is allowed to directly conduct investigations or evidence collection activities within the PRC territory. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for a foreign securities regulator to directly conduct investigations or evidence collection activities within China may further increase the difficulties you face in protecting your interests.

There are uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-Chinese company, or immovable properties located in China owned by non-Chinese companies.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or Bulletin 7, which partially replaced and supplemented previous rules under the Notice of the SAT on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises or SAT Circular 698, issued by the SAT on December 10, 2009. Pursuant to this Bulletin 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to Bulletin 7, "PRC taxable assets" include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. Bulletin 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the SAT promulgated the Announcement on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Circular 37, which was amended and became effective on June 15, 2018, and SAT Circular 698 then was repealed with effect from December 1, 2017. SAT Circular 37 also amends certain provisions in Bulletin 7, but does not touch upon other provisions of Bulletin 7, which remain in full force. SAT Circular 37, among other things, simplified procedures of withholding and payment of income tax levied on non-resident enterprises.

There is uncertainty as to the application of Bulletin 7 and SAT Circular 37. we face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in its offshore subsidiaries or investments. We may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions under Bulletin 7. For transfer of shares in our company by investors that are non-PRC resident enterprises, the WFOEs may be requested to assist in the filing under Bulletin 7. As a result, we may be required to expend valuable resources to comply with Bulletin 7 and SAT Circular 37 or to request the relevant transferors from whom we purchase taxable assets to comply with Bulletin 7 and SAT Circular 37, or to establish that we should not be taxed under Bulletin 7 and SAT Circular 37, which could adversely affect our business, operating results and financial condition.

We will be subject to restrictions on currency exchange.

A substantial portion of our revenues is denominated in Renminbi. The Renminbi is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and loans, including loans we may secure from the WFOEs or the VIE. Currently, the WFOEs may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of the SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate its ability to purchase foreign currencies in the future for current account transactions. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, the SAFE and other relevant PRC governmental authorities. Since a significant amount of our future revenues and cash flow will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit their ability to utilize cash generated in Renminbi to fund their business activities outside of the PRC or pay dividends in foreign currencies to the shareholders, and may limit our ability to obtain foreign currency through debt or equity financing for the WFOEs and the VIE.

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from making loans to the WFOEs and the VIE, or to make additional capital contributions to the WFOEs.

We, as an offshore holding company, are permitted under PRC laws and regulations to provide funding to the WFOEs, which are treated as foreign-invested enterprises under PRC laws, through loans or capital contributions. However, loans by us to the WFOEs to finance our activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE and capital contributions to the WFOEs are subject to the requirement of making necessary filings or registrations through enterprise registration system with relevant governmental authorities in China.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (the "Circular 19"), effective on June 1, 2015, in replacement of the Circular of the General Affairs Department of the State Administration of Foreign Exchange on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (the "SAFE Circular 142"), the Notice from the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening the Administration of Foreign Exchange Businesses (the "Circular 59"), and the Circular of the SAFE on Further Clarification and Regulation of the Issues Concerning the Administration of Certain Capital Account Foreign Exchange Businesses (the "Circular 45"). According to Circular 19, the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for the issuance of Renminbi entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although Circular 19 allows Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that Renminbi converted from the foreign currency- denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (the "Circular 16"), effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using Renminbi capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue Renminbi entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit its ability to transfer any foreign currency we hold to the WFOEs and the VIE, which may adversely affect our liquidity and ability to fund and expand our business in the PRC.

Due to the restrictions imposed on loans in foreign currencies extended to any PRC domestic companies, we are not likely to make such loans to the VIE. Meanwhile, we are not likely to finance the activities of the VIE by means of capital contributions given the potential restrictions on foreign investment in the businesses that are currently conducted by the VIE.

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals in a timely manner, if at all, with respect to future loans to the WFOEs or the VIE or future capital contributions by us to the WFOEs. As a result, uncertainties exist as to our ability to provide prompt financial support to the WFOEs or the VIE when needed. If we fail to complete such registrations or obtain such approvals, our ability to use foreign currency and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and ability to fund and expand our business.

Risks Related to the Ownership of our Securities

The trading price of the ordinary shares is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ordinary shares is likely to be volatile. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. The market price for the ordinary shares may be influenced by those factors discussed in this "Risk Factors" section and many others, including:

- regulatory developments in the U.S., the PRC and foreign countries;
- innovations or new products or solutions developed by us, or our competitors;
- announcements by us or our competitors of significant acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- achievement of expected sales and profitability;
- variations in our financial results or those of companies that are perceived to be similar to us;
- trading volume of the ordinary shares, and sales of the securities by insiders and shareholders;
- an inability to obtain additional funding;
- change in strategy or industry trend;
- announcements of new investments, acquisitions/dispositions, strategic partnership or joint venture by us or our competitors;
- general economic, industry and market conditions other events or factors, many of which are beyond our control;
- additions or departures of key personnel;
- the ongoing and future impact of the COVID-19 pandemic and actions taken to slow its spread; and
- intellectual property, product liability or other litigation against us.

For example, if the Board decides to conduct a material acquisition or disposition such as a disposition of the plastic films business (the possibility of such a disposition was reviewed and discussed in the process of negotiating the Transactions), this could result in the distraction of our management and disruption of ongoing business, any of which could adversely affect our business and financial results, and the trading price of the ordinary shares. In addition, in the past, shareholders of public companies have initiated class action lawsuits against those companies following periods of volatility in the market prices of these companies' shares. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources, which could have a material adverse effect on our business, financial condition and results of operations.

Substantial future sales or perceived sales of the ordinary shares in the public market could cause the price of the ordinary shares to decline.

Substantial future sales or perceived sales of the ordinary shares in the public market, or the perception that these sales could occur, could cause the market price of the ordinary shares to decline. As of the date of this transition report, our issued and outstanding securities consist of: (1) 29,201,849 Class A ordinary shares; (2) 54,583,957 Class B ordinary shares; and (3) warrants to subscribe for 17,964,879 Class A ordinary shares. Assuming all of the warrants to subscribe for our Class A ordinary shares have been exercised, our issued and outstanding securities consist of: (1) 47,166,728 Class A ordinary shares; and (2) 54,583,957 Class B ordinary shares.

We are in the process of discussing with certain potential investors regarding a potential private investment in public equity ("PIPE") investment, the terms of which are still subject to ongoing negotiation. The total number of shares to be issued by us in such PIPE financing is not expected to exceed 15% of our total outstanding shares, including ordinary shares subject to outstanding warrants (on a fully diluted and as converted basis and taking into account such PIPE financing). If such PIPE financing is consummated, our shareholders will experience dilution as a result, and the trading price of the ordinary shares may decline.

The dual-class share structure with different voting rights will significantly limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of the Class A ordinary shares may view as beneficial.

Our authorized and issued ordinary shares are divided into the Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of our shareholders, holders of the Class A ordinary shares and Class B ordinary shares vote together as one class, and holders of the Class A ordinary shares are entitled to one vote per share while holders of the Class B ordinary shares are entitled to 15 votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while the Class A ordinary shares are not convertible into the Class B ordinary shares under any circumstances. The third amended and restated memorandum of association and second amended and restated articles of association requires any Class B ordinary shares to be automatically converted into Class A ordinary shares upon, among others, a direct or indirect sale, transfer, assignment or disposition of such Class A ordinary shares or a direct or indirect transfer or assignment of the voting power attached to such Class B ordinary shares through voting proxy or otherwise, to any person or entity an affiliate of the holder of such Class B ordinary shares.

As of the date of this transition report, Jia Jia BaiJiaYun Ltd beneficially owns 28,055,888 Class B ordinary shares which account for an aggregate of 49.63% of the voting power represented by all our issued and outstanding ordinary shares, Duo Duo International Limited beneficially owns 17,886,414 Class B ordinary shares, which account for an aggregate of 31.64% of the voting power represented by all our issued and outstanding ordinary shares, and Nuan Nuan Ltd beneficially owns 8,641,655 Class B ordinary shares, which account for an aggregate of 15.29% of the voting power represented by all our issued and outstanding ordinary shares. Nuan Nuan Ltd and Mr. Gangjiang Li are parties to an acting in concert agreement, pursuant to which Nuan Nuan Ltd agreed to exercise its voting power as our shareholder at the direction of Mr. Gangjiang Li. As a result, Jia Jia BaiJiaYun Ltd, Duo Duo International Limited and Nuan Nuan Ltd, as holders of the Class B ordinary shares, will have the power to control all matters submitted to our shareholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets and all other major corporate transactions.

Each of Jia Jia BaiJiaYun Ltd, Duo Duo International Limited, Nuan Nuan Ltd, Mr. Gangjiang Li and their respective ultimate beneficial owners Mr. Gangjiang Li, Ms. Xin Zhang and Mr. Yi Ma may have interests that differ from the interests of other shareholders, and may vote the Class B ordinary shares directly or indirectly held by him/her/it in ways with which other shareholders may disagree or which may be adverse to such other shareholders' interests. The concentrated control over our company will likely exist regardless of whether and to what extent we distribute to our shareholders any ordinary shares, and will have the effect of delaying, preventing or deterring a change in control of our company, could deprive our shareholders of an opportunity to receive a premium for their ordinary shares as part of a sale of our company, and could have a negative effect on the market price of the ordinary shares.

The outstanding warrants to subscribe for our Class A ordinary shares held by certain investors of BJY may not ultimately be exercised. In the event of non-exercise of such warrants, our shareholding structure may be affected and there may be a negative impact on our financial condition.

As of the date of this transition report, there are outstanding warrants held by some of BJY's investors to subscribe for Class A ordinary shares, which represent approximately 17.66% of our issued and outstanding ordinary shares in the aggregate, and are exercisable by their respective holders subject to certain conditions including the completion of overseas direct investment filings under the PRC laws, which is a prerequisite procedure for Chinese entities to make investment overseas. These warrants were assumed by us as a result of the Merger and the Transactions, pursuant which certain warrants issued to BJY investors in connection with the automatic conversion of the preferred shares issued by BJY to its investors before the merger were converted into warrants to subscribe for certain number of our Class A ordinary shares based on the conversion ratio as defined in the Merger Agreement.

We cannot guarantee that the overseas direct investment filings for all such investors who hold warrants to subscribe for Class A ordinary shares can be finally completed or all such investors will ultimately exercise their rights to subscribe for Class A ordinary shares.

In the event that any of such investors fails to complete its overseas direct investment filings or otherwise decides to not exercise its warrants to subscribe for Class A ordinary shares for any reason, such investor might request us to redeem (despite there being no contractual obligation us to redeem) the interests in the VIE held by such investor or its affiliate(s). In such event, the shareholding structure of the VIE and us may be affected. In addition, we may be requested to return the investment amount originally provided by such investor together with certain level of return expected by such investor or otherwise facilitate an exit by such investor (despite there being no contractual obligation for us to do so), which may negatively impact our financial condition.

We are a "controlled company" within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

As of the date of this transition report, Jia Jia BaiJiaYun Ltd, Duo Duo International Limited and Nuan Nuan Ltd, as a group, have 96.56% of the voting power represented by all the issued and outstanding ordinary shares. As a result, we are a "controlled company" as defined under the Nasdaq Stock Market Rules as set forth in Listing Rule 5615, because Jia Jia BaiJiaYun Ltd, Duo Duo International Limited and Nuan Nuan Ltd, as a group, own more than 50% of our total voting power. For so long as we remain a controlled company, we may, and do rely on certain exemptions from corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors or that we have to establish a nominating committee and a compensation committee composed entirely of independent directors. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

We may be a passive foreign investment company for United States federal income tax purposes, which could result in adverse United States federal income tax consequences to United States investors in the Shares.

Generally, we will be a "passive foreign investment company" (a "PFIC"), if, in the case of any particular taxable year, either (1) 75.0% or more of our gross income for such year consists of certain types of passive income, or (2) 50.0% or more of the average quarterly value of our assets during such year produce or are held for the production of passive income. The determination of whether we are a PFIC will depend on the particular facts and circumstances (such as the valuation of our assets, including goodwill and intangible assets, and the composition of our income). In addition, pursuant to the "change of business exception," a corporation that would otherwise be a PFIC for a taxable year is not treated as a PFIC for such year if (1) neither the corporation nor any of its predecessors was a PFIC for any prior taxable year, (2) either substantially all of the passive income for the taxable year is attributable to proceeds from the disposition of an active trade or business or substantially all of the passive assets on each measuring date are attributable to proceeds from such a disposition and (3) the corporation reasonably does not expect to be a PFIC and is not a PFIC for either of the first two taxable years following the relevant taxable year.

We have not performed a definitive analysis as to our PFIC status for its 2022 taxable year, including whether it would qualify for the "change of business exception", and we provide no assurance that we will make a determination as to our PFIC status for the current taxable year or any future taxable year. Further, since there is little administrative or judicial authority on which to rely to make a determination of PFIC status (including the availability of the "change of business exception"), the tests for determining PFIC status are applied annually after the close of the taxable year, and it is difficult to accurately predict future income and assets relative to this determination, there can be no assurance with respect to our PFIC status for our current taxable year or any future taxable year. If we are a PFIC in any taxable year, a U.S. Holder may incur significantly increased United States federal income tax on gain recognized on the sale or other disposition of the ordinary shares and on the receipt of distributions on the ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules, and such holders may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a United States Holder holds the ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds the ordinary shares. Investors should consult their own tax advisors regarding all aspects of the application of the PFIC rules to the ordinary shares.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands with limited liability. Our corporate affairs are governed by the third amended and restated memorandum and second amended and restated articles of association, the Companies Act and the common law of the Cayman Islands. The rights of our shareholders to take action against us and our directors, actions by minority shareholders and the fiduciary duties of our directors under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the English common law, which are generally of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws than the United States, and provide significantly less protection to investors. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances, recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the amended and restated memorandum and articles of association, the register of mortgages and charges, and copies of any special resolutions passed by its shareholders) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under the third amended and restated memorandum of association and second amended and restated articles of association, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands differ significantly from requirements for companies incorporated in other jurisdictions such as the U.S. If we choose to follow our home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, public shareholders may have greater difficulty in protecting their interests in the face of actions taken by our management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Our corporate structure, together with applicable law, may impede our shareholders from asserting claims against us.

Almost all of our operations and records, and all of our senior management are located in China. Shareholders of companies such as us have limited ability to assert and collect on claims in litigation against our PRC subsidiaries. In addition, China has very restrictive secrecy laws that prohibit the delivery of many of the financial records maintained by a business located in China to third parties absent PRC government's approval. Since discovery is an important part of proving a claim in litigation, and since most if not all of our records are in China, PRC secrecy laws could frustrate efforts to prove a claim against us or our management. In addition, in order to commence litigation in the United States against an individual such as an officer or director, that individual must be served. Generally, service requires the cooperation of the country in which a defendant resides. China has a history of failing to cooperate in efforts to affect such service upon PRC citizens in China.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices for corporate governance matters that differ significantly from the Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance listing standards.

As a Cayman Islands exempted company with limited liability listed on the Nasdaq Capital Market, we are subject to the Nasdaq Stock Market Rules for corporate governance listing standards. However, we qualify as a foreign private issuer (as defined in Rule 3b-4 under the Exchange Act) under the Nasdaq Stock Market Rules and we are permitted to follow home country practice in respect of certain corporate governance matters. As a result, our corporate governance practices differ in some respects from those required to be followed by U.S. companies listed on the Nasdaq Capital Market. For example, we do not (1) have a majority of the board be independent; (2) have a compensation committee or a nominating and corporate governance committee consisting entirely of independent directors; or (3) have an audit committee be composed of at least three members. We may also continue to rely on these and other exemptions available to foreign private issuers in the future, and to the extent that we choose to do so, our shareholders may be afforded less protection than they otherwise would have under the Nasdaq Stock Market Rules applicable to U.S. domestic issuers.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

We are a foreign private issuer under the Exchange Act, and exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD promulgated by SEC.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. However, the information we are required to file with or furnish to the SEC are less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

We will not pay dividends for the foreseeable future, investors must rely on price appreciation of the ordinary shares for return on their investment.

We have not paid any dividends on the ordinary shares for the last five years. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of any future debt agreements may preclude us from paying dividends.

The Board has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by the directors. Under Cayman Islands law, a Cayman Islands exempted company may pay a dividend out of either profit or its share premium account, provided that in no circumstances may a dividend be paid if this would result in it being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, financial condition, contractual restrictions and other factors deemed relevant by the Board. Accordingly, the return on the investment in the ordinary shares will depend on any future price appreciation of the ordinary shares. There is no guarantee that the ordinary shares will appreciate in value or even maintain the price at which investors purchased the ordinary shares. Investors may not realize a return on the investment in the ordinary shares and investors may even lose their entire investment.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for the ordinary shares and its trading volume could decline.

The trading market for the ordinary shares will depend in part on the research and reports that securities or industry analysts publish about us, our business, market or our competitors. To our knowledge, we do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our business, the trading price for the ordinary shares would be negatively impacted. In the event that we obtain securities or industry analyst coverage, if one or more of the analysts downgrade the ordinary shares, the trading price of the ordinary shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, interest in the ordinary shares could decrease, which could cause the price or trading volume of the ordinary shares to decline.

If we fail to implement or maintain an effective system of internal controls in the future, we may be unable to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the market price of the ordinary shares.

In the course of auditing the consolidated financial statements of BJY as of and for the fiscal year ended June 30, 2022, BJY and its independent registered public accounting firm identified one material weakness in BJY's internal control over financial reporting, in accordance with the standards established by the PCAOB. The material weakness that has been identified relates to the lack of sufficient number of financial reporting personnel with appropriate knowledge, experience and training of U.S. GAAP and SEC financial reporting requirements to properly address complex U.S. GAAP accounting issues and prepare and review financial statements and related disclosures in accordance with U.S. GAAP and reporting requirements set forth by the SEC.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. Any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in its internal controls over financial reporting that may require prospective or retroactive changes in our financial statements or identify other areas for further attention or improvement. An independent assessment of the effectiveness of our internal controls by an independent registered accounting firm could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to restatements of our financial statements and require us to incur the expense of remediation. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the market price of the ordinary shares.

Item 4. Information on the Company

A. History and Development of the Company

Information about Fuwei

We were incorporated as a Cayman Islands exempted company with limited liability in August 2004 under the name "Neo-Luck Plastic Holdings Co., Ltd." and changed our name to "Fuwei Films (Holdings) Co., Ltd." in April 2005. Prior to the Merger, we develop, manufacture, and distribute high-quality plastic film using the biaxially-oriented stretch technique, otherwise known as BOPET film (biaxially-oriented polyethylene terephthalate). The film is lightweight, non-toxic, odorless, transparent, glossy, temperature, and moisture-resistant, making it suitable for many forms of flexible packaging, printing, laminating, aluminum-plating, and other applications. In addition, it retains high dielectric strength and volume resistance even at high temperatures, which are essential qualities for electrical and electronic uses. Our BOPET film is widely used in consumer-based packaging (such as food, pharmaceutical, cosmetics, tobacco, and alcohol industries), imaging (such as printing plates and microfilms), electronics and electrical industries (such as PCB products, capacitors, and motor insulation), as well as in magnetic products (such as audio and videotapes). We market our products under our brand name of "Fuwei Films." Our main products are as below:

- Dry film is generally used in circuit boards (PCB & FPC) production and sometimes used for nameplate and crafts etching;
- Chemically treated film used to enhance properties including barrier resistance, printing properties, and electrostatic resistance;
- Stamping foil base film and transfer base films used for packaging of luxury items of cigarettes and alcohol to increase the aesthetic presentation of the item and improve environmental performance;
- Printing base film used in printing and lamination;
- Metalized film or aluminum plating base film used for vacuum aluminum plating for flexible plastic lamination;
- High-gloss film used for aesthetically enhanced packaging purposes;
- Heat-sealable film used for construction, printing, and making heat-sealable bags;
- Laser holographic base film used as an anti-counterfeit film for food, medicine, cosmetics, cigarettes, and alcohol packaging; and
- Heat shrinkable film is widely used for special-shaped packaging for beverages and cosmetics.

Since our establishment, a significant portion of our revenues have been derived from the sales of BOPET film, particularly our printing film, stamping film, transfer film and chemical pretreated film, high-gloss film, heat sealable film, dry film, and heat shrinkable film and so on.

We operate two production lines as of December 31, 2021. The first line is a Brückner 6.3 m (in width) production line with an annual design capacity of 13,000 metric tons of BOPET film. The second line is a DMT production line which is three-layer co-extruded with 6.7 m (in width) and has an annual design capacity of 16,100 metric tons of BOPET film. The third production line had not been started up ever since April 2015. On December 20, 2020, we sold our third production line through open bidding. The successful bidder was Huizhou Yidu Yuzheng Digital Technology Co. LTD. ("Huizhou Yidu Yuzheng"). On January 16, 2021, we entered into Purchase Agreements with Huizhou Yidu Yuzheng. As of December 31, 2021, the third production line and the trial production line, which was made by Mitsubishi for R & D were dismantled and moved.

Our top five customers in the year ended December 31, 2021, were Hunan Wujo Hi-Tech Materials Co., Ltd., Zhuhai Ruiming Technology Co., Ltd., Eternal Photo Electronic Materials (Guangzhou) Co., Ltd., Kolon Electronic Materials (Huizhou) Co., Ltd., and Eternal Electronic (Suzhou) Co., Ltd. We sell most of our BOPET film products to customers in the coastal region of China. In addition, we expect to continue to expand our product portfolio to exploit opportunities in different market sectors, such as the electronics industry. In 2021, our sales to our overseas customers constituted approximately 9.9% of our total revenue.

Information about BJY

Beijing Baijia Shilian Technology Co., Ltd., a PRC limited liability company, was incorporated in May 2017. Its name was changed into BaiJiaYun Group Co., Ltd. in September 2019. BaiJiaYun Limited ("BJY") was incorporated in April 2021 as an exempted company with limited liability in the Cayman Islands. BaiJia Cloud Limited ("BJY HK"), a Hong Kong corporation with limited liability, was incorporated in May 2021. BJY HK is a wholly owned subsidiary of BJY. Beijing Baishilian Technology Co., Ltd. ("Beijing WFOE"), a PRC limited liability company, was incorporated in September 2021. Beijing WFOE is a wholly owned subsidiary of BJY HK.

Structure and Effects of the Merger

On July 18, 2022, Fuwei and BJY entered into the Merger Agreement, pursuant to which a wholly-owned subsidiary of Fuwei ("Merger Sub") will be merged with and into BJY, with BJY being the surviving entity. Shareholders of BJY will exchange all of the issued and outstanding shares of BJY immediately prior to the Merger for newly issued shares of Fuwei in a transaction exempt from the registration requirements under the Securities Act of 1933. Upon consummation of the Merger, BJY will become a wholly-owned subsidiary of Fuwei (the "Surviving Entity"). At the Effective Time, BJY will adopt the memorandum and articles of association of Merger Sub, as in effect immediately prior to the Effective Time, as its memorandum and articles of association; provided, that at the Effective Time, all references to the name of Merger Sub will be amended to refer to "BaiJiaYun Limited" and all references to the authorized share capital of the Surviving Entity will be amended to refer to the authorized share capital of the Surviving Entity as approved in the plan of merger.

The Transaction and certain additional Transaction-related proposals were approved by Fuwei's shareholders at an extraordinary general meeting held on September 24, 2022. Among such proposals, our company's name was changed from "Fuwei Films (Holdings) Co., Ltd." to "Baijiayun Group Ltd 百家云集团有限公司". We continue to be listed on Nasdaq and our ticker was changed from "FFHL" to "RTC". Immediately following the closing of the Merger and the Transactions, securities issued and outstanding of our company was: (1) 29,201,849 Class A ordinary shares, (2) 54,583,957 Class B ordinary shares, and (3) warrants to subscribe for 17,964,879 Class A ordinary shares.

Additional Information

Our principal executive offices are located at 24F, A1 South Building, No. 32 Fengzhan Road, Yuhuatai District, Nanjing, China. Our telephone number at this address is +86-025-8222-1596. Our registered office in the Cayman Islands is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, Cayman, KY1-1111, Cayman Islands. Our website can be found at *investor.baijiayun.com*. The information contained on our website is not a part of this transition report on Form 20-F. Our agent for service in the United States is CT Corporation System, located at 111 Eighth Avenue, NY, NY 10011.

The SEC maintains a website, *www.sec.gov*, that contains reports, proxy and information statements, and other information regarding registrants, including us, that file electronically with the SEC.

B. Business Overview

Our BOPET Film Business

Prior to the Merger, we have been principally engaged in the manufacture and distribution of BOPET film. BOPET is a high-quality plastic film manufactured using the biaxially-oriented stretch (transverse and machine direction) technique. Our advanced production process improves the physical properties of the plastic film, such as its tensile strength, resistance to impact, resistance to tearing, and malleability. The high dimensional stability of the film over a wide range of humidity and temperature fulfills the basic requirements for flexible packaging. The film is lightweight, non-toxic, odorless, transparent, glossy, moisture-resistant, and retains high barrier resistance, making it suitable for flexible packaging, printing, laminating, aluminum-plating, and other forms processes. In addition, it retains high dielectric strength even at high temperatures, which are essential qualities for electrical and electronic uses. The three-layer co-extruded structure enables us to develop high-quality BOPET products. BOPET film has been widely used in flexible packaging (such as food, pharmaceutical, cosmetics, cigarettes, alcohol), imaging (such as printing plates and microfilms), and electronics and electrical (such as PCB products, capacitors, and motor insulation). Due to its unique qualities, it has become a popular choice as a flexible packaging material in these industries in recent years.

We market our products under our brand name "Fuwei Films." Our operations are based primarily in Shandong Province, PRC, where we manufacture our products for sale to customers engaged in flexible packaging businesses and the PRC's electronics industry, particularly in the coastal region. We also export our products to end-users and distributors mainly in Europe, Asia, and North America.

For details of our BOPET film business, see "Item 4. Information on the Company" in the annual report on Form 20-F for the year of December 31, 2021 of Fuwei, which was filed with the SEC on April 28, 2022 and incorporated herein by reference.

Our Video-centric Technology Solution Business

We operate our video-centric technology solution business through BJY, which is a leading video-centric technology solutions provider in China with core expertise in Software-as-a-Service ("SaaS") and Platform-as-a-Service ("PaaS") solutions. BJY is committed to delivering reliable, high-quality video experiences across devices and localities. Leveraging the strength of its industry-leading video-centric technologies, BJY offers a wealth of video-centric technology solutions including SaaS/PaaS solutions, cloud and software related solutions and enterprise AI and system solutions catered to the evolving communication and collaboration needs of enterprises of all sizes and across industries, which makes it a one-stop video technology solutions provider.

BJY helps customers quickly deploy dedicated live streaming systems and video-on-demand ("VoD") systems to meet the customer's communication and collaboration needs across departments and functions and throughout the business process and accelerate the digital transformation of the customer's business.

Based on its live streaming service infrastructure, BJY can provide customers with different functional modules, which can get through the internal systems of the enterprise to achieve data linkage, in various live streaming scenarios such as enterprise training, dual-teacher classroom, small class courses, medical live streaming, etc. Moreover, BJY can also achieve customization for customers according to their needs and provide them with high-quality live streaming full-process operation and on-site execution services.

Since its establishment in 2017, BJY has been expanding its service scope from audio and video SaaS services focused on the education sector, to a wide range of industries. Adhering to its mission of "becoming the customers' first choice for one-stop video technology services provider", on the basis of providing standardized audio and video SaaS services, BJY also extended its capability down to the underlying technologies and in 2020, BJY launched its real-time audio and video communication PaaS services which provide one-stop video technology services such as private cloud deployment and in-depth customized development for government customers and large enterprises. BJY has completed the transformation from a product provider to a technology provider, and BJY has achieved the ability to deliver both standardized and customized services based on an integrated infrastructure.

"PaaS standardization + SaaS scenario-oriented" business layout has driven the explosive business growth of BJY. As of June 30, 2022, BJY had a total of 1,582 customers, representing an increase of 89.0% over 12 months compared with the number of customers as of June 30, 2021. Such customer growth enabled BJY to achieve a total revenue of approximately US$31.3 million in the 2022 fiscal year.

During the 2021 fiscal year, the total number of user visits of BJY's live streaming large-class courses was 57,702,088, the total duration of such live streaming courses exceeded 3.8 million hours, and the cumulative viewing time of such live streaming courses was 56,818,401 hours. In the subsequent year, BJY's live streaming business continued to grow rapidly. During the 2022 fiscal year, the total number of user visits of BJY's live streaming large-class courses reached 70,136,499, the total duration of such live streaming courses exceeded 4.3 million hours, and the cumulative viewing time of such live streaming courses was 70,646,749 hours. Since its establishment, BJY's cumulative VoD duration has reached 342,443,402 hours. During the 2021 fiscal year, the number of total VoD user visits was 548,491,980, and the total VoD duration was 76,172,850 hours. During the 2022 fiscal year, the total number of VoD user visits increased to 633,506,876, and the total VoD duration increased to 109,623,453 hours, representing a year-on-year increase of 43.9% or an increase of 249.5% over two years compared to the 2020 fiscal year. BJY's services cover a wide range of industries such as the internet, education, automotive, finance, health care, e-commerce, etc. As of June 30, 2022, BJY established branches, research and development centers and offices in more than a dozen cities in China, with more than 383 employees, including complete product design, testing, and R&D teams that support the rapid update iterations of BJY's products.

BJY's business scale continued to grow in recent years. BJY had revenues of US$23.4 million, US$41.4 million and US$68.6 million for the 2020, 2021 and 2022 fiscal years, respectively. BJY had net income of US$3.7 million and US$3.6 million for the 2020 and 2021 fiscal years, respectively, and net loss of US$12.6 million for the 2022 fiscal year.

BJY has built a high entry barrier for competitors. The advantage of BJY is its deep understanding of the digital transformation in various industries and sectors, which enables it to provide live streaming technology service to enterprises of all sizes and across industries, solve their pain points in video technology applications and help them reduce costs and improve efficiency. BJY provides SaaS applications through PaaS, which can effectively accelerate the development speed of SaaS applications. On the other hand, BJY's matured SaaS business can enhance its PaaS business's understanding of vertically related industries. In the longer term, this mutual support structure enables BJY to gradually transform customized requirements into standardized products, driving the rapid upgrade of audio and video services across industries.

Industry Overview

Over the past few years, China has continuously promoted the construction of network infrastructure, along with the development of 5G, artificial intelligence ("AI") and Internet of things. BJY believes the underlying audio and video infrastructure are crucial to support the upper-tier application scenarios. Also, with the spread of the mobile internet and the widespread use of intelligent terminal devices, BJY believes real-time audio and video has become a mainstream method of online interaction. Additionally, the COVID-19 pandemic has increased the need for online interaction in various scenarios, and as result, we have seen solid demand for audio and video technologies in areas such as video conferencing, remote consultation and online learning.

With the improvement of 5G network coverage, we have observed a constant expansion across many industries of the scenarios in which audio and video technologies can be innovatively applied. These usage scenarios in turn often demand enhanced audio and video technologies to deliver the desired results. As a result, we expect many development and growth opportunities in audio and video related sectors.

According to IDC, for the second half of 2021, the overall size of China's video cloud market reached US$5.04 billion, representing a year-on-year increase of 32.7%, and within such market, the size of the video cloud infrastructure sector and the video cloud solutions sector reached US$4.10 billion and US$950 million, respectively, representing a growth rate of 32.1% and 35.4%, respectively, compared to the second half of 2020 (after adjustment).

Looking towards to the future, according to IDC, the video cloud market in China is expected to continue to grow at a high speed by 2025, with the market size reaching US$31.76 billion and a CAGR of 35.5% from 2020 to 2025. According to IDC, with the continuous penetration of video cloud solution applications in China, the market share of solutions is expected to grow from 18.02% in 2020 to 21.6% of the total market, reaching US$6.9 billion by 2025.

According to iResearch, the video cloud market has developed rapidly in the past few years for the following reasons:

- The progress of core technology is an important driver for the development of video cloud industry. The implementation of 5G network infrastructure and the progress of network adaptation technology have effectively improved the quality of network transmission; the upgraded video encoding and decoding standards can support the encoding and decoding of higher-resolution videos under limited bandwidth. In addition, the services provided by the underlying IaaS vendors are gradually standardized and maturing. AI technology continues to accelerate innovation and is gradually integrated with real-time audio and video services to provide users with a smoother and higher-definition viewing experience.

- The demand for interactivity drives the progress of the real-time video cloud industry. The new generation of users who grew up on the Internet age, prefer to solve problems online. The COVID-19 pandemic accelerated users' adaption of the habit of going online, and users have a deeper understanding of video cloud services at this stage. On the one hand, video calls, webcast shopping and online education, etc. have become the "rigid demands" in people's lives. On the other hand, the demand for telecommuting and video conferencing continues to grow. Cloud exhibitions, online press conferences and video conferences have become the priority choices for enterprises to reduce cost and increase efficiency during the COVID-19 pandemic.

- The Chinese government's efforts to promote the digital economy have benefited both cloud services and video services. "The 14th Five-Year Plan for the Development of the Digital Economy" puts forward an important development goal for the added value of the core industries of the digital economy to account for 10% of GDP by 2025. The plan affirmed the role of the internet platform in accelerating the integration of digital technology in various industries. In terms of industrial digitalization, online learning, remote conferencing, online shopping and live streaming are all important application scenarios.

BJY believes that in recent years, the infrastructure attribute of video has become more obvious, and the application of video cloud has been continuously developed and integrated with business scenarios closely. According to iResearch, the upstream players in the video cloud service value chain consist of hardware infrastructure manufacturers, IaaS manufacturers, telecom operators and third-party technology providers, mainly providing hardware facilities, network services, computing storage and other resources, the midstream players in the value chain consist of PaaS and SaaS manufacturers, which mainly provide audio and video communication products and interface services, and the downstream players in the value chain consist of audio and video cloud service demanders. More specifically, PaaS service providers provide platform services to downstream enterprises by integrating network, communication and other resources in the form of SDK/API. They emphasize universality and mainly serve enterprises with development capabilities. SaaS service providers integrate the platform functions of PaaS, emphasize scenario-oriented application capabilities and provide universal solutions in the form of software application services.

At present, the video cloud industry has various application scenarios for different demands. Focusing on the provision and optimization of video cloud service technology, BJY believes it is one of a few players in the industry that can provide both SaaS and PaaS services. Not only can BJY serve the whole industry and play the role of an industry enabler, it also has a deep understanding of customer demands and the characteristics of industries and scenarios which enables it to create value for customers. In addition, BJY divides video cloud services into the following subsectors, BJY sees significant market potential in each of these subsectors and believes that BJY's products are leading in their respective subsectors.

- *Live streaming and VoD*. According to iResearch, the SaaS market experienced significant growth in 2020 driven by the COVID-19 pandemic. In 2020, the size of the SaaS market reached US$7.94 billion, representing a year-on-year increase of 48.7%. IResearch expects the market to maintain a CAGR of 34% in the next three years.

- *Video conferencing*. The cloud video conferencing market is constantly cultivated with the development of cloud services. According to iResearch, in 2021, the cloud video conferencing market in China reached US$2.66 billion, representing a year-on-year growth rate of 11.4%. According to iResearch, the COVID-19 pandemic has prompted cloud video conferencing systems to quickly penetrate into people's lives in the short term, and iResearch estimates its market size to reach US$3.24 billion in 2023.

- *Corporate training*. In the post-epidemic era, with the support of new technologies, BJY believes digital learning and hybrid training will become new drivers for a new generation of corporate training products and services. iResearch predicted that the market size of China's enterprise training industry is expected to reach US$40.42 billion in 2023, with a growth rate of 16.4%.

- *Solutions*. BJY believes there is strong demand from enterprises for integrated services of technology, product and matching solutions when seeking video cloud services. BJY has observed that, to solve the bottleneck problem of traditional technology in the face of new development trends such as communication network complexity, user experience diversification and business scenario diversification, AI technology has been applied to the field of communication network intelligence. According to IDC, the market size of the AI software and applications in China reached US$5.28 billion in 2021, with a year-on-year increase of 43.1%.

To take advantage of the expected rapid growth in China and match the unique demands of the market, BJY has formed a new strategic pattern of comprehensive development of three main sectors, including one-stop solution for video cloud, SaaS service for video cloud application and PaaS service for video cloud technology. BJY plans to continue to focus on expanding new technology paths, cultivating vertical scenarios, and developing AI, while improving customer experience through strategic layout such as software optimization plus hardware adaptation to seize greater market share.

BJY's Solutions

BJY offers comprehensive video-centric technology solutions that are tailored for the unique demands of the Chinese market. BJY's solutions fall into three main categorizes:

- Video-centric SaaS/PaaS solutions, which include real-time engagement services and SMS services (as defined below);

- Video-centric cloud related solutions, which include customized software development, software license and other cloud related service, and

- Video-centric industry AI solutions.

BJY's video-centric technology solutions are intended to serve individuals and enterprises of all sizes and industry, providing them with a suite of simple-to-use, highly customizable and widely compatible solutions to support their communications and collaboration demands. BJY believes its video-centric technology solutions present the following compelling value propositions to its customers.

- ***Video-centric omni-channel capabilities.*** Laser-focused on video-centric solutions since BJY's inception, BJY has self-developed all of its audio and visual engines and accumulated extensive expertise and know-how in designing and implementing enterprise-grade video use cases. BJY also embeds multiple communication functions such as audio and live chat into its solutions to enable more productive communications and collaboration experiences.

- ***Cloud-native infrastructure.*** Leveraging BJY's cloud computing capability, BJY believes it enables its customers to have expedient, on-demand access to massive resources "over the cloud," and be relieved from capacity constraints. BJY's cloud-native infrastructure can scale with its customers as they grow without significant hardware investment or system downtime, and enables cross-device compatibility, including PCs and mobile devices such as smartphones and tablets.

- ***Easy-to-integrate functional modules.*** BJY offers ready-to-use, highly customizable and widely compatible video and audio functionalities in the form of SDKs and APIs, which can be integrated into the business systems and physical infrastructure of its customers. BJY also offers *à la carte* options that allow customers to select functions that best suit their need.

- ***Customizable experiences.*** BJY supports highly customizable video experiences with its feature-rich functional modules. Supported by the strong research and development capabilities, BJY offers customers tailor-made project-based video-centric solutions to address their specific business or industry demands. Furthermore, BJY offers public and private cloud deployment options carefully tailored to satisfy budgeting and information security considerations of its customers.

- ***Reliable performance***. BJY believes its robust technology infrastructure is the backbone of its business. BJY believes it can support live streaming for up to 1,000,000 users at the same time, with a latency below 200 milliseconds under typical networking conditions. In addition, BJY provides ongoing customer support and operation maintenance services to safeguard reliable performance.

Video-centric SaaS/PaaS solutions

BJY's video-centric SaaS/PaaS solutions include live streaming solution, VoD solution and real-time communications ("BRTC") solution, which are readily deployable by enterprises to support their communications and collaboration demands. BJY's SaaS/PaaS solutions are used in a wide range of scenarios and industries, including education, finance, medical services, auto industry, IT industry, etc. However, BJY does not collect, retain, store, or use any individual customers data while providing services to millions of end customers. In addition to these video-centric solutions set forth below, BJY also offers customers with a customer engagement platform with software designed to address specific use cases and a set of application programming interfaces to send and receive short messages (the "SMS services"). BJY utilizes intelligent sending features to ensure that messages can reliably reach end users wherever they are. Such customers may build use cases, such as appointment reminders, delivery notifications, order confirmations and many two-way and conversational use cases.

a. Live streaming solution

BJY takes pride in the enterprise-grade live streaming experiences. Backed by content delivery network ("CDN") nodes deployed across China that are either developed in-house or supplied by reputable third-party CDN service providers, BJY enables stable, smooth and high-quality live streaming experiences even in certain remote areas with weak network connections. By broadly deploying CDN nodes closer to end-users' location in an automated process, BJY believes it can support massive volumes of concurrent live streaming requests with high-definition and low latency. Its live streaming solution can also assess video quality in real time and automatically adapt the quality of video sources to network conditions. In addition to its low-latency and high-definition features, BJY's live streaming solution is widely compatible with multiple protocols underlying the video inputs and supports transcoding and processing services at different resolutions, bitrates and frame rates, to suit different needs and application scenarios. Moreover, BJY offers its live streaming solution in the form of SDKs and APIs, which allows for seamless integration with web browser, Android and iOS devices and customizable live streaming experiences.

BJY offers a wide range of value-added services such as recording, editing, playback and real-time beautification effects as well as various interactive functions including live chatting, document sharing, interactive whiteboarding, etc. Furthermore, BJY also embeds multi-level security mechanisms in its live streaming solution, such as anti-leeching, anti-screen capturing and custom watermarking, to shield against video piracy.

BJY offers its live streaming solution primarily on a SaaS basis for a combination of subscription and usage. In the 2021 and 2022 fiscal years, BJY had over 837 and 1,583 customers for SaaS-based live streaming solution, respectively. In addition, while BJY has developed its live streaming solution to overcome hardware compatibility issues, BJY also supplements certain of its video-centric SaaS/PaaS solutions with hardware manufactured by third parties such as video camera, server, projector, and coding and decoding machines for audio and video signal, to further ensure the quality and reliability of video transmission.

b. VoD solution

Leveraging its reliable cloud-native infrastructure and industry-leading video capability, BJY offers intuitive cloud-based VoD solution which enables customers to conveniently launch their own online video player. As a trusted provider of VoD solution, BJY has supported approximately 1.7 billion users' visits for 342 million hours in cumulative playtime since its inception. BJY enables convenient upload function that supports batch upload, large file upload and breakpoint resume upload. Similar to the live streaming solution, BJY's VoD solution can transcode video files into different formats so that they can be played on different devices. For example, to accommodate mobile users, BJY's VoD solution allows developers to integrate video features through quick and easy steps with iOS and Android-based SDKs and APIs. BJY's VoD solution is also compatible with major social media platforms in China, such as WeChat and Weibo, which enables customers to promote their video content by sharing the content to or forward the content on these platforms. BJY also offers video embedding function for those who want to incorporate video content into a WeChat official account or an H5 webpage to reach a wider audience. The VoD solution allows customers to change the logo, skin and other layout settings of the video player to satisfy personalized configuration needs, and provides customers with multi-dimensional data to assess the effectiveness of their video content and adjust their promoting strategies with valuable insights. In order to ensure content security and originality, BJY equips its VoD solution with various tools such as anti-leech and anti-screen capturing protection.

BJY offers its VoD solution primarily on a SaaS basis for a combination of subscription and usage. In the 2021 and 2022 fiscal years, BJY had over 548 million and 633 million customers' visits for SaaS-based VoD solution, respectively.

c. BRTC solution

BJY also started to offer real-time communications ("RTC") solutions internally in 2021 to support omni-channel interactions. BJY has launched six major modules focusing on real-time video, real-time audio, cloud-based recording, interactive live streaming, interactive whiteboarding and intelligent diagnostics and engineering, which serve as building blocks for developers to embed the respective functions into their systems and applications. By pooling communications resources in its cloud servers and distribute them on-demand through readily deployable functional modules in the forms of SDKs and APIs, BJY continues to help its customers improve their communication and operational efficiency. Leveraging its technology infrastructure, BJY's BRTC solution ensures over 99.99% uptime, and supports secure, smooth and high-quality real-time communications across devices and localities.

BJY offers its BRTC solution on a PaaS basis for which BJY provides both the software and infrastructure needed to enable real-time communications. BJY generally charges its customers for PaaS-based BRTC solution based on usage.

d. Use cases

- ***Video-centric solutions for education sector***. BJY offers customers in education sectors video-centric solutions with audio capabilities and enables them to deliver highly engaging and interactive learning content. For example, its solutions contain live course function that enables students to participate in class discussions and teachers to take attendance, share courseware, post online quizzes and review real-time results, etc. In addition, its video-centric enables live chatting, document sharing as well as interactive whiteboarding, which can be readily utilized to encourage in-class discussions. Backed by its proprietary video system and technology infrastructure, BJY supports a variety of course formats tailored to different scenarios and education needs, including live video courses, recorded courses, in-person courses and courseware-only courses.

BJY also enables online live courses in various settings, which BJY believes fundamentally differentiate BJY from its competitors. For example, BJY enables 1-on-1 online classes that provide exclusive and immersive learning experiences mimicking in-person tutoring, which is especially useful for scenarios such as oral language training and mock interviews. BJY uses methods including private link, QR code and invitation code to ensure authorized access to designated courses. Leveraging its reliable network infrastructure, BJY enables large-scale interactive online courses that can support thousands of participants in one session. With the self-developed video technology, students can "raise their hands" at class to interact with teachers through real-time video or audio chat, and teachers can use interactive tools such as screen sharing and whiteboarding to illustrate a topic in all dimensions. BJY believes this capability enables BJY's customers to deliver rich learning experiences in a large scale with low latency, and further helps them to save teaching costs and improve operation efficiency. In the 2021 and 2022 fiscal years, BJY's large-class courses served an accumulation of over 57 million and 70 million users' visits, with 57 million and 71 million hours in cumulative live streaming time, respectively. With its robust video technology, BJY supports concurrent, multi-way video communications such as dual-teacher online courses, where tutors are assigned to a traditional one-teacher online classroom to improve the engagement and learning effectiveness of individual students, and capacity-free open courses, where students may join or leave the courses anonymously through an open link. In addition to online course function, BJY's live streaming capability also helps customers in user acquisition and brand building activities, as potential users may access content and market activities through open links.

- ***Communications and collaboration solutions for enterprise customers***. BJY believes it empowers enterprise customers across industry verticals, in particular in the finance and medical service industries, to support highly efficient and effective communications and collaboration experiences.

  Internal collaboration. Enterprise customers may use BJY's technology to build internal communications portals where they can communicate and collaborate in an omni-channel manner, such as via live chatting, video and audio conferencing and document sharing, thereby streamlining their collaboration experiences.

  Customer acquisition and support. Enterprise customers utilize BJY's real-time video and audio technologies to establish contact center capabilities to answer customer inquiries, resolve customer complaints and conduct telemarketing campaigns. BJY believes that by enabling more diverse communications channels such as live chat, audio call and video call as compared to traditional on-premise contact centers relied on telecom-based phone call, customers who deploy its solutions can differentiate themselves from peers, therefore driving customer satisfaction and excelling from intense market competition.

  Internal training. Enterprises can deploy BJY's solutions to organize their internal training sessions, which allow for both self-studying recorded courses and enterprise-wide interactive live training. BJY believes video-based internal training can significantly increase participation and save costs as compared traditional face-to-face training.

  Branding and marketing. Enterprises may use BJY's solutions to build their own live streaming e-commerce platform to showcase their demos and products and effectively boost sales. BJY also enables enterprise customers to host internal training as well as promotional events such as roadshows and user conferences.

- ***IT solutions for social entertainment sector***. BJY believes traditional live streaming, such as those involving live dancing or singing performances of a streamer, offers limited interactive options on the audience side. With BJY's solutions, audiences are able to interact with streamers in real time through multiple channels such as video and audio. In online game streaming scenarios, streamers can share with audiences their real-time "battlefields" while commenting their in-game motions. Streamers can also co-stream in "PK" model using BJY's solutions, i.e., to engage in real-time "battles" for dancing, singing or other performances.

Video-centric cloud related solutions

Leveraging its enterprise-grade video capabilities, BJY has been rapidly expanding the application scenarios of its video-centric solutions across a wide range of industry verticals including educational institutions, IT, finance, media and advertising, and e-commerce. BJY's video-centric cloud related solutions primarily include online school solution, video conferencing and enterprise training solution. BJY creates software licenses for customers of its video-centric cloud related solutions, which are created based on an existing software framework with certain customization or design to meet the needs of different customers. BJY also offers customized platform development solutions that develop customized software modules to be integrated into the customer's system, as well as other software related services to customers, including design of online advertising videos and operation of online accounts in popular apps.

a. Online school solution

In addition to supporting the customers' various course offerings, BJY is dedicated to offering a one-stop, cloud-based solution that helps customers in education sectors enroll students, deliver courses, evaluate learning results and manage daily operations. To that end, BJY's integrated online school solution incorporates well-designed tools covering all of the key activities involved in the online learning process, such as various course scenarios, live-streaming courses, VoD courses, exam and assessment, online school management. Furthermore, BJY empowers customers to provide superior user experience by integrating comprehensive and ready-to-use school management and sales and marketing capabilities into its cloud solution.

- *Course preparation*. BJY helps organize its online education customers' knowledge management system, which may be used to store courseware and other course materials and can group course materials by subject, grade or learning objective, and can be easily accessed by end-users and incorporated into tailor-made course materials. The various course administration functions allow teachers to create new courses, edit course information, upload course materials and arrange course curricula with ease.

- *Homework, exercise and academic assessment*. End users of BJY's online school solutions may access online question bank and quizzes to complete homework and academic assessment. BJY's question bank tool supports all sorts of objective question formats with detailed explanation and answers for daily exercise and academic assessment process. Its customers can assort questions into different topics and based on their respective difficulty levels and related key takeaways to enable tailored sets of questions for students' respective weaknesses and areas of improvement. BJY's data-driven insights such as homework submission rate, student ranking and correct/wrong answer rate can be utilized to adjust teaching agenda in order to better address weaknesses or areas for improvement. BJY also assists teachers in various forms of academic assessments catering to their diverse needs. They can design, schedule, distribute and easily grade assessments for a range of assessment scenarios, from short quizzes to mid-term and final exams. Leveraging BJY's data analytics capabilities, teachers can generate in-depth reports on grades and missed questions on both class-wide and individual levels, which enables valuable insights on future teaching efforts.

- *Administration*. BJY's online school solution allows students to log in through username/password combination, social media account information or OTP-based authentication code, which ensures flexibility as well as the security of personal accounts. The customers may also assign several administrator accounts to supervise the course delivery process. For example, they may access screenshots of an online classroom that are automatically saved at designed intervals during a live course or enter into an online classroom in "invisible" mode to evaluate teachers and students' real daily performance. BJY also tracks students' purchasing orders and remaining learning hours dynamically. The customers may arrange courses based on students' demands as well as teachers' availability through the easy-to-navigate interface and deduct the remaining learning hours of the students accordingly. In addition, the system also enables an overview of business operations, including total revenue, number of students, teachers and tutors as well number of courses and purchasing orders through the unified user interface, allowing efficient central management.

- *Sales and marketing*. The intuitive user interface of BJY's online school solution presents a unified display of various sales and marketing functions on the administrator's end, including personal work record, ticket tracking and customer profile. Moreover, BJY collects and analyzes various behavioral data generated at its system such as purchasing data and class participation data with BJY's proprietary data-driven algorithms to enable informed sales and marketing efforts. BJY also equips its solution with the capabilities to organize online promotional events to facilitate the conversion from non-paying users to paying users. For example, BJY offers a useful tool to help generate user benefits such as coupons, vouchers and group discounts in a customizable manner, so that its customers can set their own promotional strategies by employing one or more of them. The customers can track the benefits claimed but unused and follow up with students to close the sale. BJY also supports the seamless integration with all major third-party payment platforms to assist its customers in order management. In addition, BJY incorporates a credit awarding system to encourage user engagement. Under this system, users will be awarded credits for online activities such as signup, subscribing courses, completing personal information, submitting housework assignments, reviewing teachers' performances and sharing courses with friends, and then use the credits to redeem courses. BJY believes this tool can effectively help its customers to attract new students and retain existing ones.

BJY primarily offers its online school solution on a project basis. In the 2021 and 2022 fiscal years, BJY had over 122 and 191 customers for its online school solution, respectively.

b. Video conferencing solution

BJY believes its video conference solution enables customers to have reliable and interactive collaboration experiences through video conferencing across disparate devices and scattered worksites. BJY supports high-resolution real-time video and audio feeds from multiple locations with its latest multi-regional multi-center network infrastructure, to deliver reliable and interactive video-conferencing experience that BJY believes is akin to conventional in-person conferences. BJY also provides various supporting functions, such as conference scheduling, calendar invitation and virtual conference room administration, through an intuitive user interface. Customers can also control microphone and camera and edit conference encryption and accessibility information with ease through BJY's video conferencing system. During a meeting, participants can interact through live chat, document sharing, screen sharing and digital whiteboarding to improve efficiency. In addition, it supports both cloud-based recording and local recording and enables participants and the host to generate a cloud-based playback link after each meeting session. Moreover, the video conferencing system is compatible with major operating systems and hardware and devices, including less sophisticated legacy on-premise video systems, which helps customers minimize deployment cycle and save costs. Meanwhile, benefiting from such combability, end users can join the meetings through diverse terminals including PCs, TVs and mobiles devices including smartphones and tablets with just one click. BJY also supports various customized options including private cloud deployment, where the data and information generated from intra-organizational communications are isolated and encrypted to ensure heightened security and privacy.

BJY primarily offers its video conferencing solution in the form of software on a project basis.

c. Enterprise training solution

BJY offers a comprehensive solution targeting at large-scale, tasked-based enterprise training, to help customers share knowledge, teach skills and convey important information. BJY believes that apart from the low-latency, highly engaging training experiences backed by its industry-leading video capabilities and technology infrastructure, BJY enterprises training solution differentiates itself from competitors through its comprehensive supporting functions. The enterprise training system allows customers to create their own video training templates, upload training materials and compile online quizzes to evaluate their employees' mastery of designated skillsets and the effectiveness of training sessions. Customer may even introduce a ranking and awarding system supported to improve training results. Moreover, the customers can also establish an internal community for employees to discuss knowledge points and share their learning and working experiences to further enhance engagement.

BJY primarily offers its enterprise training solution in the form of software on a project basis.

Video-centric industry AI solutions

BJY believes it combines cutting-edge AI technology with real-world scenarios to empower innovative use cases and application scenarios in multiple industry verticals.

BJY's intelligent industry solutions are predicated on image analysis and recognition technology that it developed in-house using deep learning algorithms, and BJY believes its solutions are able to achieve high-precision detection and identification. The head count function, which accurately identifies entry and exit status and walking trajectory, can be deployed by schools, exhibitions and other public places for crowd statistics analysis. The skeleton point recognition function analyzes postures of the human body and is suitable for sports training, dance classes and monitoring of abnormal behaviors during exams. In addition, gesture recognition function intelligently captures and recognizes gestures in pictures and videos, and outputs the recognition results for interactive live streaming scenarios such as sign language and early childhood education. Furthermore, the indicator light identification function helps factories use machines to identify indicator lights of different colors, therefore detecting technical issues in real time and reducing manual workload and cost.

BJY's customizable intelligent industry solutions have significant potential for application in industries such as education, retail, public affairs and industrial manufacturing.

BJY's Technologies

Technologies underpin BJY's high-quality solutions and operational efficiency.

- ***RTC video technology.*** BJY believes its industry-leading RTC video capabilities are at the core of its business. BJY uses its proprietary technologies to capture and synchronize video and audio streams, and pre-process such raw streams to reduce noise, eliminate echo and enhance volume and/or resolution, and allows end users to add beautification, virtual background and other special effects to video and audio streams in real time to improve streaming quality. BJY then utilizes industry-leading encoding and decoding technologies to compress and decompress the streams before and after transmission. Specifically, BJY deploys C++ for video decoding, which greatly reduces latency on the streaming side to one to three seconds, far exceeding the performances of industry peers. The live streaming solution is compatible with multiple protocols underlying the video inputs and supports transcoding and processing services at different resolutions, bitrates and frame rates, to suit different needs and application scenarios. BJY can also assess video quality in real time and automatically adapt the quality of video sources to network conditions.

- ***Technology infrastructure.*** BJY believes its cloud-based network architecture allows for high combability, availability and scalability of its video-centric solutions. It can support live large-class courses with a latency below 200 milliseconds for upon to 1,000,000 users simultaneously. Backed by CDN nodes deployed across China that are either developed in-house or supplied by reputable third-party CDN service providers, BJY enables stable, smooth and high-quality live streaming experiences even in certain remote areas with weak network connections. BJY also selects the optimal CDN nodes closer to where end-users are located in an automated process to achieve consistently high performance. In addition, BJY deploys edge nodes coupled with Border Gateway Protocol (BGP) network nodes to safeguard the "last-mile" transmission and reduce costs. Moreover, BJY's network infrastructure is based upon both the Transmission Control Protocol (TCP) and the User Datagram Protocol (UDP), which prioritizes lower latency as compared to TCP, to adapt to different use cases.

- ***Artificial intelligence.*** BJY utilizes AI technologies in the video processing and transmission, among other processes. For example, BJY detects human faces in video streams and applies selected beautification effects in a dynamic manner.

- ***Big data analytics.*** BJY applies big data analytics broadly in its operations to provide insights and guidance for the decision-making process of its customers. For example, BJY leverages technologies such as computer graphics, image processing, computer vision and computer-aided design to convert data into graphics or images for display and allow interactive processing in such data display to help customers understand and analyze the data in an effective way.

Data Privacy and Protection

BJY has access to certain data and information of enterprises which use its video-centric solutions. BJY may also have access to certain personal data and information of its customers' end-users. Specifically, for BJY's solutions deployed on public cloud, data and information are safely encrypted and stored in cloud servers, where customers can access as needed only with appropriate authorization. BJY does not have access to data and information of customers which use its solutions deployed on private cloud.

BJY is committed to protecting its customers' data and privacy and has designed protocols on data collection, transmission, storage and usage to ensure compliance with applicable laws and regulations. In addition, BJY's agreements with customers generally include a confidentiality clause under which BJY is obligated not to disclose or otherwise misappropriate the data and information of its customers or their end-users.

BJY takes safety precautions to maintain its technology infrastructure and protect its data and information, and is dedicated to upgrading its security programs to better meet growing customer needs, updated regulatory requirements, and the evolving security threat landscape. BJY has implemented detailed policies regarding system operation and maintenance, information security and management, and data backup and disaster recovery. BJY's technological infrastructure applies safeguards such as web application firewalls to further ensure data security. As a general principle, data and information in relation to BJY's business operations can only be accessed by its employees with designated authorization level. BJY enters into confidentiality agreements with its employees who have access to BJY's data and information. The confidentiality agreements provide that, among others, these employees are legally obligated not to disclose or otherwise misappropriate confidential data and information in possession as a result of their employment. Such employees are also legally obligated to surrender all confidential data and information in possession upon resigning and to maintain their confidentiality obligations afterwards. They bear compensation liability if they breach their confidentiality obligations or otherwise commit misconduct resulting in leakage of BJY's confidential data and information. Furthermore, BJY's agreements with business partners generally include a confidentiality clause under which they are legally obligated not to disclose or misappropriate confidential data and information in possession as a result of their relationship with BJY.

As of the date of this transition report, BJY has not received any claim from any third party against it on the ground of infringement of such party's right to data protection as prescribed by applicable laws and regulations in China and other jurisdictions, and BJY has not experienced any material data loss or breach incidents.

Sales and Marketing

BJY promotes its brand and markets its video-centric solutions primarily through its experienced sales and marketing team, which consisted of 96 and 107 personnel in the 2021 and 2022 fiscal years, respectively. The sales and marketing team is responsible for selling to prospective customers, renewing existing subscriptions, and identifying cross-selling opportunities.

To market its products and solutions, BJY has not only established an online presence but also has actively participated in offline industry events and other events to improve its brand image and influence in the industry.

Customers and Customer Support

BJY's Customers

BJY believes that with its robust technology infrastructure and comprehensive solution offerings, it has accumulated a loyal and diversified customer base. As of June 30, 2021 and 2022, BJY served a total of approximately 2,404 and 2,830 customers, respectively. BJY's customers operate in a broad range of industries, including but not limited to education, finance, medical services and IT.

BJY's Customer Support

BJY endeavors to improve customer experience and drive customer satisfaction at each juncture, from on-board training to post-sale support. BJY offers service level agreements on most of its solutions, which represent BJY's service level commitments to customers and motivate itself to meet or exceed customers' expectations. The customer support team is staffed with experienced agents and engineers trained in technology diagnostics and engineering to offer around-the-clock customer services via phone, live chat and built-in help desk. The customer support team also monitors service quality regularly to identify issues and offer assistance. In addition, BJY offers various self-service options on its website, including helper libraries, user guides and a wide range of code samples. As the customers grow, BJY may assign them to a dedicated support team to attend to their specific needs and ensure their continued satisfaction.

Competition

BJY offers a broad range of video-centric solutions and, as a result, BJY may compete with a wide range of video-centric solution providers in China and globally. BJY believes that BJY competes favorably on the basis of robust video technology, application of advanced technologies in industry solutions, effectiveness of customer services and sales and marketing efforts, and track record and brand recognition.

The industry in which BJY operates include a number of enterprises that may or may not directly compete with BJY. BJY considers that its competitors fall into three different business lines: (1) companies that provide real time engagement services via companies' cloud computing platform, (2) companies that offer customized software that are installed on customer's own cloud computing platform, and (3) companies that provide systematic solutions to customers by integrating customized software into hardware. Some of these enterprises, including BJY's competitors, have greater financial, technological and other resources, greater brand recognitions, larger sales and marketing budgets and larger intellectual property portfolios. As a result, certain of the competitors may be able to respond more quickly and effectively than BJY can to new or evolving opportunities, technologies, standards or customer requirements. In addition, some competitors may offer products or services that address one or a limited number of functions at lower prices, with greater depth than BJY's solutions or in geographies where BJY does not operate. BJY expects competition to intensify in the future, with the introduction of new technologies and market entrants. Moreover, as BJY expands the scope of its solutions and services, BJY may face additional competition.

Research and Development

Since BJY's inception, BJY believes it has internally developed substantially all core technologies underlying its video-centric solutions based on open-source software components. BJY is committed to constantly improving its technological capabilities and attracting and cultivating technology talents to stay ahead of the rapidly involving industry trends and market demands. In the 2021 and 2022 fiscal years, BJY had a stable and dedicated research and development team of 243 and 174 members, respectively, whose expertise spans a broad range of related fields, from video RTC, cloud computing, CDN infrastructure, artificial intelligence and big data analytics, to operational and infrastructure maintenance. As of June 30, 2022, BJY's research and development personnel had an average of 6.8 years of relevant industry experience and had been with BJY for an average of 2.3 years.

Intellectual Property

BJY depends upon a combination of trade secret, misappropriation, copyright, trademark, computer fraud and other laws; registration of patents, copyrights and trademarks; nondisclosure, noncompetition and other contractual provisions with employees; and technical measures to protect its proprietary rights in the software, trademarks and other intellectual property.

As of June 30, 2022, BJY was the registered holder of 94 software copyrights, 20 patents, 41 domain names and 31 trademarks in China. In addition, BJY had filed 31 patent applications in China as of the same date.

Legal Proceedings

From time to time, BJY may become a party to legal or administrative proceedings arising in the ordinary course of its business. BJY is currently not a party to, and is not aware of any threat of, any legal or administrative proceedings that, in the opinion of BJY's management, is likely to have a material adverse effect on its business, financial condition, or results of operations.

Government Regulations

Set forth below is a summary of the most significant rules and regulations that affect our business activities in China, or the rights of our shareholders to receive dividends and other distributions from us.

Regulations Related to Foreign Investment

Investment activities in China by foreign investors are principally governed by the *Catalog of Industries for Encouraging Foreign Investment* (the "Encouraged Industries Catalog") and the *Special Administrative Measures for Foreign Investment Access (Negative List) (Edition 2021)* (the "Negative List"), which were promulgated and are amended from time to time by the Ministry of Commerce (the "MOFCOM") and the National Development and Reform Commission (the "NDRC"), and together with the PRC *Foreign Investment Law* (the "FIL"), and their respective implementation rules and ancillary regulations.

The Encouraged Industries Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories in terms of the level of participation permitted to foreign investment: "encouraged," "restricted" and "prohibited". Industries not listed in the Encouraged Industries Catalog are generally deemed as falling into a fourth category of "permitted" industries unless specifically restricted by other PRC laws. The Negative List sets forth the industries in which foreign investments are restricted or prohibited. The current effective Encouraged Industries Catalog is the 2020 version which became effective on January 27, 2021, and the 2022 version of the Encouraged Industries Catalog was released for public comments on May 10, 2022. The current effective Negative List is the 2021 version which came into force on January 1, 2022.

On March 15, 2019, the National People's Congress (the "NPC") promulgated the FIL, which became effective on January 1, 2020, and replaced the main body of laws and regulations then governing foreign investment in China. Pursuant to the FIL, "foreign investments" refer to investment activities conducted by foreign investors directly or indirectly in China, which include any of the following circumstances: (1) foreign investors setting up foreign-invested enterprises in China solely or jointly with other investors, (2) foreign investors obtaining shares, equity interests, interests in property or other similar rights and interests of enterprises within China, (3) foreign investors investing in new projects in China solely or jointly with other investors, and (4) investment by other means as specified in laws, administrative regulations, or as stipulated by the State Council.

According to the FIL, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List. The FIL provides that foreign invested entities operating in "restricted" or "prohibited" industries will require entry clearance and other approvals. In particular, the Chinese government heavily regulates the internet industry, including relevant market access restrictions and limitations on foreign investment, license and permit requirements for service provides in the internet industry. Since some of the laws, regulations, and legal requirements with respect to the internet are relatively new and evolving, their interpretation and enforcement involve significant uncertainties.

On December 26, 2019, the State Council promulgated the *Implementing Rules of the Foreign Investment Law*, which became effective on January 1, 2020. The implementation rules further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level of openness.

On December 30, 2019, MOFCOM and the State Administration for Market Regulation (the "SAMR") jointly promulgated the *Measures for Information Reporting on Foreign Investment*, which became effective on January 1, 2020. Pursuant to the *Measures for Information Reporting on Foreign Investment*, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit information relating to the investment to the competent commerce department.

Regulations Related to Value-Added Telecommunications Services

The *Telecommunications Regulations of the PRC* (the "Telecom Regulations"), which was promulgated by the State Council on September 25, 2000, and most recently amended on February 6, 2016, provides the regulatory framework for telecommunications service providers in China. The Telecom Regulations classifies telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of value-added telecommunications services are required to obtain a license prior to commencing operations from the MIIT or its provincial level counterparts. According to the *Catalog of Telecommunications Services*, attached to the Telecom Regulations and most recently amended by the MIIT on June 6, 2019, information services provided via public communication network or the internet are value-added telecommunications services.

On March 5, 2009, the MIIT issued the *Measures on the Administration of Telecommunications Business Operating Permits* (the "Telecom License Measures"), which was amended on July 3, 2017, effective on September 1, 2017, to supplement the Telecom Regulations. The Telecom License Measures provide that there are two types of telecommunications operating licenses in China, one for basic telecommunication services and one for value-added telecommunications services. A distinction is also made to licenses for value-added telecommunications services (the "VAT License") as to whether a license is granted for "intra-provincial" or "trans-regional" (inter-provincial) activities. An appendix to each license granted will detail the permitted activities of the enterprise to which it was granted. An approved telecommunication services operator must conduct its business in accordance with the specifications recorded in its telecommunication license.

The *Provisions on the Administration of Foreign Invested Telecommunications Enterprises*, (the "FITE Regulations") promulgated by the State Council on December 11, 2001, and most recently amended on March 29, 2022, effective on May 1, 2022, requires that in general, the foreign party to a foreign-invested telecommunications enterprise ("FITE") engaging in value-added telecommunications services may hold up to 50% of the equity of the FITE, of which the geographical area it may conduct telecommunications services is provided by the MIIT in accordance with relevant provisions as mentioned above.

On June 30, 2016, the MIIT issued an *Announcement of the Ministry of Industry and Information Technology on Issues Concerning the Provision of Telecommunication Services in Mainland China by Service Providers from Hong Kong and Macau* (the "MIIT Announcement"), which provides that investors from Hong Kong and Macau may hold no more than 50% of the equity in FITEs engaging in certain specified categories of value-added telecommunications services.

On July 13, 2016, the MIIT issued the *Notice of the Ministry of Information Industry on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services* (the "MIIT Notice"), which reiterates certain provisions of the FITE Regulations. In addition to the provisions stated in FITE Regulations, the MIIT Notice further provides that a domestic company that holds a value-added telecommunication license is prohibited from leasing, transferring, or selling the value-added telecommunication license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to conduct value-added telecommunications businesses illegally in China. The MIIT Notice also requires each value-added telecommunication license holder to have appropriate facilities for its approved business operations and to maintain such facilities in the regions covered by its license, and specifically, with regard to the domain names and trademarks, the MIIT Notice required that trademarks and domain names that are used in the provision of internet content services must be owned by the ICP License holder or its shareholders.

Due to a lack of interpretative materials from the relevant PRC governmental authorities, there are uncertainties regarding whether PRC governmental authorities would consider BJY's corporate structure and contractual arrangements to constitute foreign ownership of a value-added telecommunications business. In order to comply with PRC regulatory requirements, BJY operates a significant portion of its business through its VIE, with which BJY has contractual relationships but in which BJY does not have an actual ownership interest. If BJY's current ownership structure is found to be in violation of current or future PRC laws, rules, or regulations regarding the legality of foreign investment in the PRC internet sector, BJY could be subject to severe penalties.

Regulations Related to Internet Information Services

The *Administrative Measures on Internet Information Services* (the "Internet Content Measures"), which was promulgated by the State Council on September 25, 2000, and amended on January 8, 2011, set out guidelines on the provision of internet information services. The Internet Content Measures classify internet information services into commercial internet information services and non-commercial internet information services, and commercial internet information services refer to services that provide information or services to internet users with charge. A provider of commercial internet information services must obtain an internet content provider license (the "ICP License"), and prior to the application for such ICP License from the MIIT or its local branch at the provincial or municipal level, entities providing online information services regarding news, publishing, education, medicine, health, pharmaceuticals, and medical equipment must procure the consent of the national authorities responsible for such areas.

In addition to the approval and license requirements, various ministries and agencies in the PRC, including the MIIT, the News Office of the State Council, the Ministry of Culture and Tourism and the General Administration of Press and Publication, have promulgated multiple measures relating to internet content, all of which specifically prohibit internet activities that result in the dissemination of any content that infringes the legal rights of others, is found to contain pornography, promote gambling or violence, instigate crimes, undermine public morality or the cultural traditions of the PRC, or compromise State security or secrets. For example, the Internet Content Measures specify a list of prohibited content. Internet information providers are prohibited from producing, copying, publishing, or distributing information that is humiliating or defamatory to others or that infringes the legal rights of others. Internet information providers that violate these measures may face criminal charges or administrative sanctions, such as fines, revoking any relevant business operation licenses. Internet information providers must monitor and control the information posted on their websites. If any prohibited content is found, they must remove the content immediately, keep a record of such content and report to the relevant authorities. On December 15, 2019, CAC promulgated the *Provisions on Ecological Governance of Network Information Content*, which became effective on March 1, 2020, to further regulate the network information and content.

Regulation on Information Security and Censorship

The SCNPC enacted the *Decisions on the Maintenance of Internet Security* on December 28, 2000, which was amended on August 27, 2009. Such decision makes it unlawful to: (1) gain improper entry into a computer or system of strategic importance; (2) disseminate politically disruptive information; (3) leak state secrets; (4) spread false commercial information; or (5) infringe intellectual property rights. The Ministry of Public Security has promulgated measures as below that prohibit the use of the internet in ways which, among other things, result in a leakage of state secrets or distribution of socially destabilizing content. The Ministry of Public Security has supervision and inspection rights in this regard.

On December 16, 1997, the Ministry of Public Security issued the *Administration Measures on the Security Protection of Computer Information Network with International Connections* which was amended on January 8, 2011. Such administration measures prohibit using the internet to leak state secrets or to spread socially destabilizing materials. If any operating license holder violates these measures, the PRC government may revoke its operating license and shut down its websites. Pursuant to the *Ninth Amendment to the Criminal Law* issued by the SCNPC on August 29, 2015 and becoming effective on November 1, 2015, any internet services provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to rectify upon orders, will be subject to criminal liability for (1) any dissemination of illegal information in large scale, (2) any severe effect due to the leakage of the client's information, (3) any serious loss of evidence of criminal activities or (4) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information, will be subject to criminal liability in severe situations.

The *Provisions on Technological Measures for Internet Security Protection* (the "Internet Security Protection Measures") promulgated on December 13, 2005 by the Ministry of Public Security require all internet services providers to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days and submit the above information as required by laws and regulations. Under these measures, value-added telecommunications services license holders must regularly update information security and content control systems for their websites and must also report any public dissemination of prohibited content to local public security authorities. If a value-added telecommunications services license holder violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

The *Communication Network Security Protection Administrative Measures*, which were promulgated by the MIIT on January 21, 2010, require that all communication network operators, including telecommunications service providers and Internet domain name service providers, divide their own communication networks into units. These communication network units shall be rated in accordance with degree of damage to national security, economic operation, social order, and public interest in the event a unit is damaged. Communication network operators must file the division and ratings of their communication networks with the MIIT or its local counterparts. If a communication network operator violates these measures, the MIIT or its local counterparts may order rectification or impose a fine up to RMB30,000 in case a violation is not duly rectified.

On November 7, 2016, the SCNPC promulgated the *PRC Cybersecurity Law*, which took effect on June 1, 2017. The *PRC Cybersecurity Law* applies to the construction, operation, maintenance, and use of networks as well as the supervision and administration of internet security in the PRC. The *PRC Cybersecurity Law* defines "networks" as systems that are composed of computers or other information terminals and relevant facilities used for the purpose of collecting, storing, transmitting, exchanging, and processing information in accordance with certain rules and procedures. "Network operators," who are broadly defined as owners and administrator of networks and network service providers, shall meet their cybersecurity obligations and take technical measures and other necessary measures to protect the safety and stability of their networks. Under the *Cybersecurity Law*, network operators are subject to various security protection-related obligations, including:

- complying with security protection obligations in accordance with tiered requirements with respect to maintenance of the security of internet systems, which include formulating internal security management rules and developing manuals, appointing personnel who will be responsible for internet security, adopting technical measures to prevent computer viruses and activities that threaten internet security, adopting technical measures to monitor and record status of network operations, holding internet security training events, retaining user logs for at least six months, and adopting measures such as data classification, key data backup, and encryption for the purpose of securing networks from interference, vandalism, or unauthorized visits, and preventing network data from leakage, theft, or tampering;

- verifying users' identities before signing agreements or providing services such as network access, domain name registration, landline telephone or mobile phone access, information publishing, or real-time communication services;

- clearly indicating the purposes, methods and scope of the information collection, the use of information collection, and obtain the consent of those from whom the information is collected when collecting or using personal information;

- strictly preserving the privacy of user information they collect, and establish and maintain systems to protect user privacy; and

- strengthening management of information published by users. When the network operators discover information prohibited by laws and regulations from publication or dissemination, they shall immediately stop dissemination of that information, including taking measures such as deleting the information, preventing the information from spreading, saving relevant records, and reporting to the relevant governmental agencies.

In December 2021, the CAC and several other administrations jointly promulgated the Review Measures which became effective on February 15, 2022. According to the Review Measures, to the extent the purchase of network products and services by a critical information infrastructure operator or the data processing activities conducted by a "network platform operator" affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Review Measures. The Review Measures also expand the cybersecurity review to "internet platform operators" in possession of personal information of over one million users if such operators intend to list their securities "in a foreign country". Furthermore, relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities "affect or may affect national security". Since the Review Measures are relatively new, significant uncertainties exist in relation to their interpretation and implementation. Additionally, the Review Measures do not provide the exact scope of "network platform operator" or the circumstances that would "affect or may affect national security".

In addition, on November 14, 2021, the CAC released the consultation draft of the *Network Data Security Management Regulations* for public comment. According to the *Network Data Security Management Regulations*, data processors shall apply for a cybersecurity review when carrying out the following activities: (i) a merger, reorganization or separation of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests, which affect or may affect national security; (ii) data processors that handle personal information of more than one million people contemplating to list its securities on a foreign stock exchange; (iii) data processors contemplating to list its securities on a stock exchange in Hong Kong, which affects or may affect national security; and (iv) other data processing activities that affect or may affect national security. Among others, it further requires that a data processor who processes important data or who is listed overseas shall complete an annual data security assessment either self-conducted or conducted by a data security service organization engaged, and before January 31 of each year, submit the annual data security assessment report of the previous year to the local cyberspace affairs administration department. As of the date of this transition report, the *Network Data Security Management Regulations* was released for public comment only, and no interpretation or implementation rules for this proposed regulation have been issued by the CAC or any other PRC regulatory authorities. It remains uncertain when the *Network Data Security Management Regulations* will be adopted and become effective and whether it will be adopted as it was initial proposed.

On November 15, 2018, the Cyberspace Administration issued the *Provisions on Security Assessment of the Internet Information Services with Public Opinion Attributes or Social Mobilization Capacity*, which came into effect on November 30, 2018. The provisions require internet information providers to conduct security assessments on their internet information services if their services include forums, blogs, microblogs, chat rooms, communication groups, public accounts, short-form videos, online live-streaming, information sharing, mini programs or other functions that provide channels for the public to express opinions or have the capability of mobilizing the public to engage in specific activities. Internet information providers must conduct self-assessment on, among other things, the legality of new technology involved in the services and the effectiveness of security risk prevention measures and file the assessment report with the local competent cyberspace administration authority and public security authority.

Internet security in China is also regulated and restricted from a national security standpoint. On July 1, 2015, the SCNPC promulgated the new *National Security Law*, which took effect on the same date and replaced the former *National Security Law* promulgated in 1993. According to the new *National Security Law*, the state shall ensure that the information system and data in important areas are secure and controllable. In addition, according to the new *National Security Law*, the state shall establish national security review and supervision institutions and mechanisms and conduct national security reviews of key technologies and IT products and services that affect or may affect national security. There are uncertainties on how the new *National Security Law* will be implemented in practice.

Regulation on Privacy Protection

On December 28, 2012, the SCNPC enacted the *Decision to Enhance the Protection of Network Information* (the "Information Protection Decision") to enhance the protection of user personal information in electronic form. The Information Protection Decision provides that internet services providers must expressly inform their users of the purpose, manner and scope of the internet services providers' collection and use of user personal information, publish the internet services providers' standards for their collection and use of user personal information, and collect and use user personal information only with the consent of the users and only within the scope of such consent. The Information Protection Decision also mandates that internet services providers and their employees must keep strictly confidential user personal information that they collect, and that internet services providers must take such technical and other measures as are necessary to safeguard the information against disclosure.

On July 16, 2013, the MIIT issued the *Order for the Protection of Telecommunication and Internet User Personal Information* (the "Order"). Most of the requirements under the Order that are relevant to internet services providers are consistent with the requirements already established under the MIIT provisions discussed above, except that under the Order the requirements are often stricter and have a wider scope. If an internet services provider wishes to collect or use personal information, it may do so only if such collection is necessary for the services it provides. Further, it must disclose to its users the purpose, method, and scope of any such collection or use, and must obtain consent from the users whose information is being collected or used. Internet services providers are also required to establish and publish their protocols relating to personal information collection or use, keep any collected information strictly confidential, and take technological and other measures to maintain the security of such information. Internet services providers are also required to cease any collection or use of the user personal information, and de-register the relevant user account, when a given user stops using the relevant internet service. Internet services providers are further prohibited from divulging, distorting, or destroying any such personal information, or selling or providing such information unlawfully to other parties. The Order states, in broad terms, that violators may face warnings, fines, and disclosure to the public and, in the most severe cases, criminal liability.

On January 5, 2015, the State Administration for Industry and Commerce ("SAIC") promulgated the *Measures on Punishment for Infringement of Consumer Rights*, which was most amended on October 23, 2020, pursuant to which business operators collecting and using personal information of consumers must comply with the principles of legitimacy, propriety and necessity, specify the purpose, method and scope of collection and use of the information, and obtain the consent of the consumers whose personal information is to be collected. Business operators may not (1) collect or use personal information of consumers without their consent, (2) unlawfully divulge, sell, or provide personal information of consumers to others or (3) send commercial information to consumers without their consent or request, or when a consumer has explicitly declined to receive such information.

Regulations Related to Intellectual Property Rights

Trademarks

On August 23, 1982, the SCNPC promulgated the *Trademark Law of the PRC* (the "Trademark Law"), which was amended in 1993, 2001, 2013 and 2019. The *Implementation Regulation for the Trademark Law* promulgated by the State Council came into effect on September 15, 2002 and was further amended on April 29, 2014.

Under the *Trademark Law* and the implementing regulation, the Trademark Office of the State Administration for Market Regulation, or the Trademark Office, is responsible for the registration and administration of trademarks. The Trademark Office handles trademark registrations. As with patents, China has adopted a "first-to-file" principle for trademark registration. If two or more applicants apply for registration of identical or similar trademarks for the same or similar commodities, the application that was filed first will receive preliminary approval and will be publicly announced. Registered trademarks are valid for ten years from the date the registration is approved. A registrant may apply to renew a registration within 12 months before the expiration date of the registration. If the registrant fails to apply in a timely manner, a grace period of six additional months may be granted. If the registrant fails to apply before the grace period expires, the registered trademark shall be deregistered. Renewed registrations are valid for ten years.

In addition to the above, the SAIC has established a Trademark Review and Adjudication Board for resolving trademark disputes. According to the *Trademark Law*, within three months since the date of the announcement of a preliminarily validated trademark, if a titleholder is of the view that is such trademark in application is identical or similar to its registered trademark for the same type of commodities or similar commodities which violates relevant provisions of the Trademark Law, such titleholder may raise an objection to the Trademark Office within the aforesaid period. In such event, the Trademark Office shall consider the facts and grounds submitted by both the dissenting party and the party being challenged and shall decide on whether the registration is allowed within 12 months upon the expiration of the announcement after investigation and verification and notify the dissenting party and the person challenged in writing.

Patents

The National People's Congress adopted the *Patent Law of the People's Republic of China* in 1984 and amended it in 1992, 2000, 2008 and 2020 respectively, with the latest amendment coming into effect on June 1, 2021.

A patentable invention, utility model or design must meet three conditions: novelty, inventiveness, and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining, and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for a design, starting from the application date. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

Copyrights

On September 7, 1990, the SCNPC promulgated the *Copyright Law*, which took effect on June 1, 1991, and was amended in 2001, 2010 and 2020, with the latest amendment coming into effect on June 1, 2021. The amended *Copyright Law* extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center.

In order to further implement the *Computer Software Protection Regulations* promulgated by the State Council on June 4, 1991, and amended on January 30, 2013, the National Copyright Administration ("NCA") issued the *Computer Software Copyright Registration Procedures* on April 6, 1992, and amended on February 20, 2002, which specify detailed procedures and requirements with respect to the registration of software copyrights. The China Copyright Protection Center shall grant registration certificates to the computer software copyrights applicants which meet the requirements of both the software copyright registration procedures and the computer software protection regulations.

Domain Names

The MIIT promulgated the *Measures on Administration of Internet Domain Names* (the "Domain Name Measures"), on August 24, 2017, which took effect on November 1, 2017, and replaced the *Administrative Measures on China Internet Domain Name* promulgated by MIIT on November 5, 2004. According to the Domain Name Measures, the MIIT is in charge of the administration of PRC internet domain names. The domain name registration follows a first-to-file principle. Applicants for registration of domain names shall provide the true, accurate and complete information of their identifications to domain name registration service institutions. The applicants will become the holder of such domain names upon the completion of the registration procedure.

Regulations Related to Foreign Exchange

Under the *Foreign Currency Administration Rules of the PRC* promulgated by the State Council on January 29, 1996, and amended on August 5, 2008, and various regulations issued by the SAFE, and other relevant PRC government authorities, Renminbi is convertible into other currencies for current account items, such as trade-related receipts and payments and payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC for of capital account items, such as direct equity investments, loans, and repatriation of investment, requires the prior approval from the SAFE or its local office. Payments for transactions that take place within the PRC must be made in Renminbi. Unless otherwise approved, PRC companies may not repatriate foreign currency payments received from abroad or retain the same abroad. FIEs may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaged in settlement and sale of foreign exchange pursuant to relevant SAFE rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the SAFE is generally required for the retention or sale of such proceeds to a financial institution engaged in settlement and sale of foreign exchange.

Pursuant to the *Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment* ("Circular 59") promulgated by SAFE on November 19, 2012, which became effective on December 17, 2012 and was further amended on May 4, 2015 and October 10, 2018, approval is not required for opening a foreign exchange account and depositing foreign exchange into the accounts relating to the direct investments. Circular 59 also simplified foreign exchange-related registration required for the foreign investors to acquire the equity interests of PRC companies and further improve the administration on foreign exchange settlement for FIEs.

The SAFE promulgated the *Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents* in May 2013, as amended, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches. On February 13, 2015, the SAFE promulgated the *Circular on Simplifying and Improving the Foreign Currency Management Policy on Direct Investment* ("Circular 13"), effective from June 1, 2015, which cancels the administrative approvals of foreign exchange registration of foreign direct investment and overseas direct investment. In addition, Circular 13 simplifies the procedure of foreign exchange-related registration, under which investors shall register with banks for foreign direct investment and overseas direct investment.

Regulations on Dividend Distribution

The principal laws and regulations regulating the dividend distribution of dividends by FIEs in the PRC include the *Company Law of the PRC*, as recently amended in 2018 and *Foreign Investment Law* promulgated by SCNPC on March 15, 2019, and recently came into effect on January 1, 2020, and its implementation regulations that took effect the same day.

Under the current regulatory regime in the PRC, FIEs in the PRC may pay dividends only out of their retained earnings, if any, determined in accordance with PRC accounting standards and regulations. A PRC company is required to set aside as statutory reserve funds at least 10% of its after- tax profit, until the cumulative amount of such reserve funds reaches 50% of its registered capital unless laws regarding foreign investment provide otherwise. A PRC company shall not 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. In addition, failure to comply with the registration procedures set forth in SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates.

Regulations on Taxation

Enterprise Income Tax

On March 16, 2007, the SCNPC promulgated the *Law of the PRC on Enterprise Income Tax,* which was recently amended on December 29, 2018, and on December 6, 2007, the State Council enacted the *Regulations for the Implementation of the Law on Enterprise Income Tax*, collectively, the EIT Law, which was recently amended on April 23, 2019. Under the EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 20% with respect to their income sourced from inside the PRC.

Withholding Tax

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident enterprise investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business, but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to an *Arrangement Between the Mainland of China 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* (the "Double Tax Avoidance Arrangement") promulgated by the SAT on August 21, 2006, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the *Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treatie*s issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment.

Value-added Tax

The *Provisional Regulations of the PRC on Value-added Tax* (the "VAT Regulations") were promulgated by the State Council on December 13, 1993 and were most recently amended on November 19, 2017. The *Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (Revised in 2011)* were promulgated by the Ministry of Finance ("MOF") on December 25, 1993 and amended on October 28, 2011 (collectively with the VAT Regulations, the "VAT Law"). According to the VAT Law, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, and the importation of goods within the territory of the PRC must pay value-added tax. For taxpayers providing value-added telecommunication services, a rate of 6% applies, according to the *Notice on Fully Promoting the Pilot Plan for Replacing Business Tax by Value-Added Tax*, which was jointly promulgated by the MOF and the SAT on March 23, 2016 and became effective on May 1, 2016.

On April 4, 2018, the MOF and the SAT issued the *Notice on Adjustment of VAT Rates*, which came into effect on May 1, 2018. According to the notice, the taxable goods previously subject to VAT rates of 17% and 11% become subject to lower VAT rates of 16% and 10% starting from May 1, 2018.

Regulations on Employment

Labor Law and Labor Contract Law

The *Labor Law*, which was promulgated on July 5, 1994, and most recently amended on December 29, 2018, and the *Labor Contract Law of the PRC* (the "Labor Contract Law") which took effect on January 1, 2008 and was amended on December 28, 2012, are primarily regulating rights and obligations of employer and employee relationships, including the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between employers and the employees. Employers are prohibited from forcing employees to work above certain time limit and employers shall pay employees for overtime work in accordance with national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and shall be paid to employees timely. 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.

Regulations on Social Insurance and Housing Fund

Under the *Social Insurance Law of the PRC* that was promulgated by the SCNPC on October 28, 2010, came into force as of July 1, 2011 and recently amended on December 29, 2018 and the *Interim Regulations on the Collection and Payment of Social Insurance Premiums* that was promulgated by the State Council on January 22, 1999 and was amended recently on March 24, 2019, employers are required to pay basic endowment insurance, unemployment insurance, basic medical insurance, employment injury insurance, maternity insurance and other social insurance for its employees at specified percentages of the salaries of the employees, up to a maximum amount specified by the local government regulations from time to time. Where an employer fails to fully pay social insurance premiums, relevant social insurance collection agency shall order it to make up for any shortfall within a prescribed time limit and may impose a late payment fee at the rate of 0.05% per day of the outstanding amount from the due date. If such employer still fails to make up for the shortfalls within the prescribed time limit, the relevant administrative authorities shall impose a fine of one to three times the outstanding amount upon such employer.

In accordance with the *Regulations on the Management of Housing Fund* which was promulgated by the State Council in 1999 and amended in 2002 and 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Employer and employee are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time.

Regulations on Employee Share Incentive Plans

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In addition, pursuant to the *Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company* ("SAFE Circular 7"), which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency as regulated in SAFE Circular 7.

In addition, the SAT has issued certain circulars concerning employee stock options and restricted shares, including the *Circular on Issues Concerning the Individual Income Tax on Share-option Incentives* ("Circular 461") which was promulgated and took effect on August 24, 2009. Under Circular 461 and other relevant laws and regulations, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock option or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiary may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations Related to Mergers and Acquisitions

M&A Rules

On August 8, 2006, six PRC governmental and regulatory agencies, including MOFCOM and CSRC, promulgated the *Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors* (the "M&A Rules"), governing the mergers and acquisitions of domestic enterprises by foreign investors that became effective on September 8, 2006, and was revised on June 22, 2009. The M&A Rules requires that an offshore special vehicle, or a special purpose vehicle formed for overseas listing purposes and controlled directly or indirectly by the PRC companies or individuals, shall obtain the approval of the CSRC prior to overseas listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The M&A Rules also establish procedures and requirements that could make some acquisitions of PRC companies by foreign investors more time-consuming and complex, including requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by the Ministry of Commerce in 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement.

Regulations Related to Overseas Listings

SAFE Circular 37

Under SAFE Circular 37, PRC residents are required to register with the local SAFE branch prior to the establishment or control of an offshore special purpose vehicle, or the SPV, which is defined as offshore enterprises directly established or indirectly controlled by PRC residents for offshore equity financing of the enterprise assets or interests they hold in China. An amendment to registration or subsequent filing with the local SAFE branch by such PRC resident is also required if there is any change in basic information of the offshore company or any material change with respect to the capital of the offshore company. At the same time, the SAFE has issued the *Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment* regarding the procedures for SAFE registration under SAFE Circular 37, which became effective on July 4, 2014 as an attachment of SAFE Circular 37.

Under the relevant rules, failure to comply with the registration procedures set forth in SAFE Circular 37 may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under PRC foreign exchange administration regulations.

Potential CSRC Approval

On December 24, 2021, the CSRC published the draft *Regulations of the State Council on the Administration of Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments)* (the "Administrative Provisions"), and the draft *Measures for the Record-Filing of Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments)* (the "Filing Measures", and collectively, the "Draft Overseas Listing Regulations") for public comments, which set out the new regulatory requirements and filing procedures for domestic companies seeking direct or indirect listing in overseas markets.

The Draft Overseas Listing Regulations, among others, lay out specific requirements for filing. In addition, it stipulates that domestic companies that seek to offer and list securities in overseas markets shall strictly comply with laws, regulations and relevant provisions concerning national security in spheres of foreign investment, cybersecurity, and data security, and earnestly fulfill their obligations to protect national security. Domestic companies seeking to list abroad must carry out relevant security review procedures if their businesses involve such supervision. Moreover, an overseas offering and listing is prohibited under circumstances if (i) it is prohibited by PRC laws, (ii) it may constitute a threat to or endanger national security as reviewed and determined by competent PRC authorities, (iii) it has material ownership disputes over equity, major assets, or core technology, (iv) in past three years, the Chinese operating entities, and their controlling shareholders or actual controllers have committed relevant prescribed criminal offenses or are under investigations for suspicion of criminal offenses or major violations, (v) the directors, supervisors, or senior executives have been subject to administrative punishment for severe violations, or are under investigations for suspicion of criminal offenses or major violations, or (vi) it has other circumstances as prescribed by the State Council.

The Draft Overseas Listing Regulations further stipulate that a fine between RMB 1 million and RMB 10 million may be imposed if an applicant fails to fulfill the filing requirements with the CSRC or conducts an overseas offering or listing in violation of the Draft Overseas Listing Regulations, and in cases of severe violations, a parallel order to suspend relevant businesses or halt operations for rectification may be issued, and relevant business permits or operational license revoked.

C. Organizational Structure.

The following table sets forth the details of our principal subsidiaries, the VIE and its subsidiaries as of the date of this transition report:

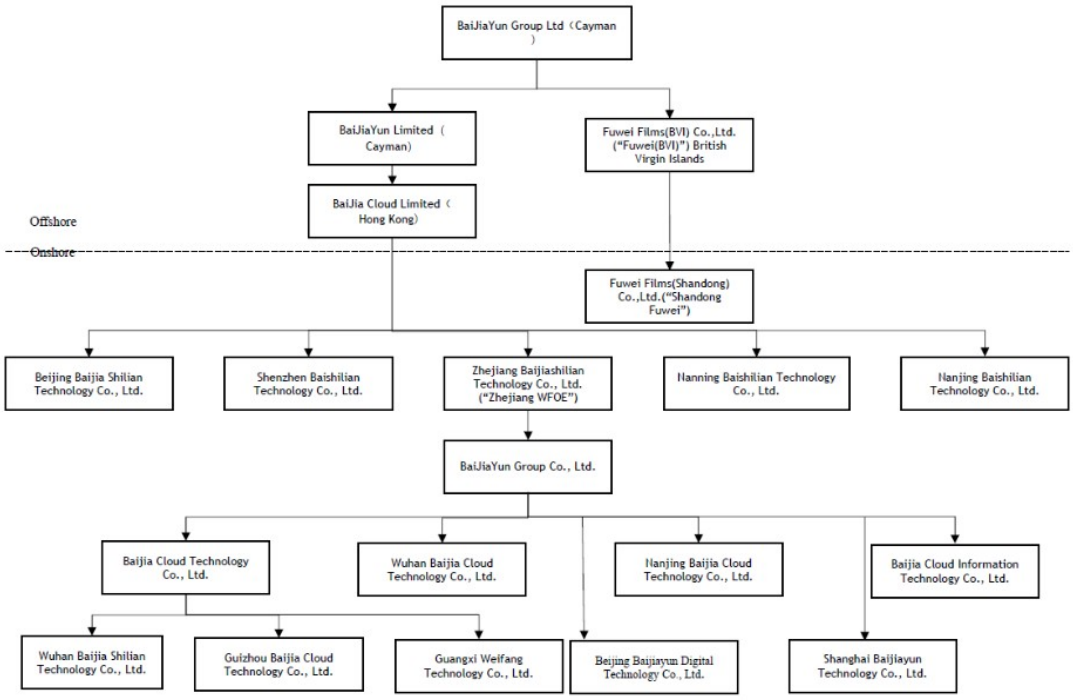
Name of Entity	Date of Incorporation	Place of Incorporation	% of Ownership	Principal Activities
Fuwei Films (Shandong) Co., Ltd	January 5, 2005	PRC	100	BOPET film business
Fuwei Films (BVI) Co., Ltd.	April 26, 2004	British Virgin Islands	100	Investment holding
BaiJiaYun Limited	April 22, 2021	Cayman Islands	100	Investment holding
Subsidiaries of BaiJiaYun				
BaiJia Cloud Limited ("BaiJiaYun HK")	May 6, 2021	Hong Kong	100	Investment holding
Beijing Baishilian Technology Co., Ltd.	September 6, 2021	PRC	100	Investment holding
Shenzhen Baishilian Technology Co., Ltd. ("Shenzhen Baishilian")	October 27, 2021	PRC	100	Investment holding
Nanning Baishilian Information Technology Co., Ltd. ("Nanning Baishilian")	September 13, 2021	PRC	100	Investment holding
Nanjing Baishilian Technology Co., Ltd. ("Nanjing Baishilian")	January 21, 2022	PRC	100	Investment holding
Zhejiang Baijiashilian Technology Co., Ltd. ("Zhejiang WFOE")	December 28, 2022	PRC	100	Investment holding
VIE				
BaiJiaYun Group Co., Ltd	May 22, 2017	PRC	VIE	Provision of cloud computing services
VIE's Subsidiaries				
Wuhan Baijia Cloud Technology Co., Ltd. ("Wuhan BaiJiaYun") [1]	August 7, 2017	PRC	100% owned by VIE	Provision of cloud computing services
Nanjing Baijia Cloud Technology Co., Ltd. ("Nanjing BaiJiaYun")	June 13, 2018	PRC	100% owned by VIE	Provision of cloud computing services
Baijiayun Information Technology Co., Ltd. ("BaiJiaYun Information Technology")	June 18, 2019	PRC	51% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Guizhou Baijia Cloud Technology Co., Ltd. ("Guizhou BaiJiaYun")	April 8, 2019	PRC	100% owned by VIE	Provision of cloud computing services
Baijia Cloud Technology Co., Ltd. ("BaiJia Cloud Technology ")	October 12, 2019	PRC	70% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Beijing Baijiayun Digital Technology Co., Ltd. (formerly known as "Beijing Haoyu Xingchen Cultural Communication Co., Ltd.") ("Haoyu Xingchen")	June 23, 2020	PRC	100% owned by VIE	Provision of cloud computing services
Xi'an Baijiayun Information Technology Co., Ltd. ("Xi'an BaiJiaYun")	January 7, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Henan Baijia Cloud Information Technology Co., Ltd. ("Henan BaiJiaYun")	April 13, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Chengdu Digital Bird Technology Co., Ltd. ("Chengdu BaiJiaYun")	April 8, 2015	PRC	100% owned by VIE since August 3, 2020, and disposed of in June 2021	Provision of cloud computing services
Wuhan BaiJiaShiLian Technology Co., Ltd. ("Wuhan BaiJiaShiLian") [2]	December 12, 2018	PRC	100% owned by VIE since September 15, 2021	Provision of cloud computing services
Guangxi Weifang Technology Co., Ltd. ("Guangxi Weifang")	November 3, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Shanghai BaiJiaYun Technology Co., Ltd. ("Shanghai BaiJiaYun")	October 22, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Beijing Deran Technology Co., Ltd ("Beijing Deran")	May 29, 2012	PRC	51% owned by VIE since March 24, 2022	Provision of cloud computing services
Nanjing BaiJiaYunPeng Technology Co., Ltd.	August 18, 2022	PRC	60% owned by VIE	Provision of cloud computing services
BaiJiaYun Technology Development (Shanxi) Co., Ltd.	January 4, 2023	PRC	100% owned by VIE	Provision of cloud computing services
Guangxi Hengsheng Information Technology Co., Ltd.	September 16, 2022	PRC	100% owned by VIE	Provision of cloud computing services
Zhuhai BaiJiaYun Technology Co., Ltd.	October 20, 2022	PRC	100% owned by VIE	Provision of cloud computing services
Guangxi Chuanghe Technology Co., Ltd.	August 30, 2022	PRC	100% owned by VIE	Provision of cloud computing services

Notes:

(1) We disposed of Wuhan BaiJiaYun in September 2022.

(2) We acquired Wuhan BaiJiaShiLian in September 2021. Wuhan BaiJiaShiLian did not commence any operation at the acquisition date and has immaterial net assets.

The following diagram illustrates our corporate structure as of the date of this transition report:



Contractual Arrangements and Corporate Structure

Baijiayun Group Ltd is an exempted company with limited liability incorporated under the laws of the Cayman Islands and currently conducts substantially all of its business and operations through the VIE in China. The VIE also holds our key operating licenses for our video-centric technology solution business, provides services to our customers, and enters into contracts with our suppliers. Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in internet-related services and certain other businesses. Accordingly, certain contractual arrangements were established for the business operations of BJY in the PRC. From September 7, 2021 to January 1, 2023, BJY, through Beijing WFOE, entered into a series of agreements with the VIE, and its shareholders, including the exclusive business cooperation agreement, powers of attorney, exclusive option agreements, and equity interest pledge agreements (collectively, the "Beijing WFOE Contractual Arrangements"). As part of our efforts to streamline our corporate structure, (1) each of Beijing WFOE, the VIE and its shareholders terminated each of the Beijing WFOE Contractual Arrangements, as a result of which Beijing WFOE will no longer receive substantially all of the economic benefits of, the VIE; and (2) on January 2, 2023, Zhejiang WFOE, entered into a series of contractual arrangements, including exclusive technical and consulting services agreement, powers of attorney, exclusive option agreements and equity interest pledge agreements (collectively, the "Zhejiang WFOE Contractual Arrangements") with the VIE and its shareholders, through which we are considered as the primary beneficiary of the consolidated affiliate entities and consolidate the financial results of the VIE in our financial statements under U.S. GAAP. A summary of certain material terms of Zhejiang WFOE Contractual Arrangements is as follows:

- *Exclusive Technical and Consulting Services Agreement.* Under the exclusive technical and consulting services agreement between Zhejiang WFOE and the VIE, Zhejiang WFOE has the exclusive right to provide, among other things, technical support and consulting services to the VIE. Zhejiang WFOE has the exclusive ownership of intellectual property rights created as a result of the performance of this agreement. In addition, the VIE irrevocably grants Zhejiang WFOE an exclusive option to purchase any or all of the assets and business of the VIE at the lowest price permitted under PRC law.

- *Powers of Attorney.* Under the powers of attorney among Zhejiang WFOE, the VIE, and each shareholder of the VIE, such shareholder irrevocably nominates, appoints, and constitutes Zhejiang WFOE and its successors as his or her attorney-in-fact to exercise any and all of his or her rights as a shareholder of the VIE, including rights to convene and attend shareholders' meetings, nominate and elect directors, and appoint and dismiss the senior management of the VIE.

- *Exclusive Option Agreements.* Under the exclusive option agreements among Zhejiang WFOE, the VIE, and each shareholder of the VIE, such shareholder irrevocably grants Zhejiang WFOE or its designated person(s) an exclusive option to purchase, at any time and to the extent permitted under PRC law, all or part of his or her equity interests in the VIE at the lowest price permitted under the PRC law.

- *Equity Interest Pledge Agreements.* Under the equity interest pledge agreements among Zhejiang WFOE, the VIE, and each shareholder of the VIE, such shareholder pledges all of his or her equity interests in the VIE to Zhejiang WFOE to secure the performance by the VIE and its shareholders of their respective obligations under the applicable contractual agreements. If the pledger or the VIE breaches its obligations under these contractual arrangements, Zhejiang WFOE, as the pledgee, will be entitled to certain rights and remedies including priority in receiving the proceeds from the auction or disposal of the pledged equity interests in the VIE. The shareholders of the VIE undertakes that during the term of the pledge, without the prior written consent of Zhejiang WFOE, they shall not dispose of the pledged equity interests, create, or allow any encumbrance on the pledged equity interests or increase the registered capital of the VIE. Zhejiang WFOE also has the right to receive dividends distributed on the pledged equity interests during the term of the pledge.

In the opinion of Beijing Dentons Law Offices, LLP, our PRC legal counsel, (1) the ownership structures of Zhejiang WFOE and the VIE in China do not and will not violate any applicable PRC law, regulation or rule currently in effect; and (2) the contractual agreements among Zhejiang WFOE, the VIE and the VIE's shareholders governed by PRC laws are valid and binding in accordance with their terms and applicable PRC laws, rules and regulations currently in effect, and will not violate any applicable PRC law, regulation or rule currently in effect. However, these contractual arrangements may not be as effective in providing control as direct ownership. There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, rules and regulations. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the opinion of our PRC legal counsel. We have been further advised by Dentons that if the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC government restrictions on foreign investment, we could be subject to severe penalties including being prohibited from continuing operations. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our Corporate Structure."

All the agreements under the Zhejiang WFOE Contractual Arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our Corporate Structure — We rely on contractual arrangements with the VIE and the shareholders of the VIE to operate our business, which may not be as effective as equity ownership in providing operational control and could adversely affect our business, operating results and financial condition." Such arbitration provisions have no effect on the rights of our shareholders to pursue claims against us under United States federal securities laws.

D. Property, Plants and Equipment

After the consummation of the Merger, our principal executive offices are located at 24F, A1 South Building, No. 32 Fengzhan Road, Yuhuatai District, Nanjing, China. In the 2022 fiscal year, we leased and occupied its office space with an aggregate floor area of approximately 1,789 square meters in Beijing, and maintained other leased offices and warehouse space in other cities in China totaling approximately 5,587 square meters. We lease our premises from unrelated third parties under operating lease agreements. The lease terms for all of our leased properties in the 2022 fiscal year ranged from five months to five years.

We believe our existing leased facilities are adequate for its current business operations and that additional facilities can be obtained on commercially reasonable terms to accommodate our future expansion plans.

Item 4A.Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion of the results of operations and financial condition of BJY is based upon and should be read in conjunction with the consolidated financial statements and their related notes included in this transition report. This discussion includes forward-looking statements, and involves numerous risks and uncertainties, including, but not limited to, those described under "Item 3. Key Information — D. Risk Factors" in this transition report. We caution you that the business and financial performance of BJY may differ materially from those contained in any forward-looking statements.

A. Operating Results

Overview

BJY is a leading video-centric technology solutions provider in China with core expertise in SaaS and PaaS solutions. Leveraging the strength of its industry-leading video-centric technologies, BJY offers a wealth of video-centric technology solutions including SaaS/PaaS solutions, cloud and software related solutions and enterprise AI and system solutions catered to the evolving communication and collaboration needs of enterprises of all sizes and across industries, which makes it a one-stop video technology solutions provider.

BJY's business scale continued to grow in recent years. The revenues of BJY were US$23.4 million, US$41.4 million and US$68.6 million for the 2020, 2021 and 2022 fiscal years, respectively. BJY had net income of US$3.7 million and US$3.6 million for the 2020 and 2021 fiscal years, respectively, and net loss of US$12.6 million for the 2022 fiscal year.

Key Components of Results of Operations

Revenues

The following table sets forth a breakdown of the total revenues of BJY, both in absolute amount and as a percentage of total revenues, for the fiscal years indicated.

	Years ended June 30,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in U.S. dollars, except for percentages)					
SaaS/PaaS services						
Real-time engagement services	21,387,895	91.5	15,344,241	37.0	14,841,071	21.6
SMS services	—	—	5,959,759	14.4	16,429,769	23.9
Subtotal	**21,387,895**	**91.5**	**21,304,000**	**51.4**	**31,270,840**	**45.5**
Cloud related services						
Customized platform development service	—	—	—	—	10,284,571	15.0
Software license and other cloud related service	1,143,360	4.9	2,657,900	6.4	1,912,252	2.8
Subtotal	**1,143,360**	**4.9**	**2,657,900**	**6.4**	**12,196,823**	**17.8**
AI solution services	**838,037**	**3.6**	**17,487,520**	**42.2**	**25,132,715**	**36.7**
Total revenues	**23,369,292**	**100.0**	**41,449,420**	**100.0**	**68,600,378**	**100.0**

BJY records revenues from SaaS/PaaS solutions as SaaS/PaaS services revenues, which primarily include usage-based fees for real-time engagement services that enable customers to access BJY's enterprise cloud computing platform to facilitate their real-time video and audio communications, and text message related services, both of which are calculated with the unit price fixed in relevant service contracts. The usage-based fees are recognized as revenues in the period in which the usage occurs. Certain service contracts for SaaS/PaaS solutions provide for both hardware and real-time engagement services for a pre-determined period of time regardless of usage. In such cases, revenues generated from hardware are recognized at the time of acceptance by customers, while revenues generated from real-time engagement services are recognized over the pre-determined period.

BJY records revenues from cloud and software related solutions as cloud related products and services revenues. BJY provides cloud related services by providing customized platform development services to customers who aim to create a system that is integrated and large in nature. In this arrangement, BJY develops certain modules, which, once developed, together with other modules from other vendors, will be integrated into the customer's system. The module is not functional and does not benefit the customer on its own. The module is highly customized and developed specifically for the customer's needs. BJY does not provide any technical support service for such module and has no further obligation once the module is accepted. BJY recognizes revenue from customized platform development services at the point of customer acceptance.

Cloud related service also includes software license and other cloud related service where BJY primarily provides to its customer software licenses created based on an existing software framework with certain customization or design to meet the needs of different customers. BJY recognizes revenue of software license at the point of customer acceptance. Certain software license contracts include technical support service to the customer associated with the software license provided to the customers for a period of time. BJY recognizes revenue of technical support service over the service period.

BJY records revenues from enterprise AI and system solutions as AI solution services revenues, which are generated from the sales of hardware together with AI solutions that are tailor-made or purchased from third parties for the customers' needs and integrated into the hardware. BJY recognizes revenues from AI solution services at the time of acceptance.

For the 2022 fiscal year, BJY's revenue is primarily contributed by the VIE and its subsidiaries, such as Nanjing BaiJiaYun, BaiJiaYun Information Technology and BaiJia Cloud Technology. Among these subsidiaries, Nanjing BaiJiaYun generated revenues of approximately US$44 million before inter-company eliminations with approximately US$23 million of net income for the 2022 fiscal year. Nanjing BaiJiaYun's revenue is mainly from SaaS/PaaS solutions.

Cost of Revenues

The cost of revenues of BJY primarily consists of (1) staff costs related to service delivery and system maintenance, (2) bandwidth costs, (3) costs of hardware and software products purchased for certain solutions, and (4) costs of SMS telecommunications resources purchased from major mobile operating companies in the PRC.

The following table sets forth a breakdown of the cost of revenues of BJY by service type, both in absolute amount and as a percentage of total cost of revenues, for the fiscal years indicated.

	Years ended June 30,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in U.S. dollars, except for percentages)					
SaaS/PaaS services						
Real-time engagement services	9,372,991	93.2	4,804,464	21.0	6,400,069	12.7
SMS services	—	—	5,383,082	23.4	16,239,332	32.4
Subtotal	**9,372,991**	**93.2**	**10,187,546**	**44.4**	**22,639,401**	**45.1**
Cloud related services						
Customized platform development services	—	—	—	—	7,272,371	14.5
Software license and other cloud related service	49,482	0.5	402,740	1.8	1,135,398	2.3
Subtotal	**49,482**	**0.5**	**402,740**	**1.8**	**8,407,769**	**16.8**
AI solution services	**632,398**	**6.3**	**12,331,410**	**53.8**	**19,121,360**	**38.1**
Total cost of revenues	**10,054,871**	**100.0**	**22,921,696**	**100.0**	**50,168,530**	**100.0**

Gross Profit

The following table sets forth a breakdown of the gross profit and gross profit margin of BJY by service type for the fiscal years indicated.

	Years ended June 30,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in U.S. dollars, except for percentages)					
SaaS/PaaS services						
Real-time engagement services	12,014,904	56.2	10,539,777	68.7	8,441,002	56.9
SMS services	—	—	576,677	9.7	190,437	1.2
Subtotal	**12,014,904**	**56.2**	**11,116,454**	**52.2**	**8,631,439**	**27.6**
Cloud related services						
Customized platform development services	—	—	—	—	3,012,200	29.3
Software license and other cloud related service	1,093,878	95.7	2,255,160	84.8	776,854	40.6
Subtotal	**1,093,878**	**95.7**	**2,255,160**	**84.8**	**3,789,054**	**31.1**
AI solution services	**205,639**	**24.5**	**5,156,110**	**29.5**	**6,011,355**	**23.9**
Total gross profit	**13,314,421**	**57.0**	**18,527,724**	**44.7**	**18,431,848**	**26.9**

Operating Expenses

The following table sets forth the operating expenses of BJY, both in absolute amount and as a percentage of our total operating expenses, for the fiscal years indicated.

	Years ended June 30,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in U.S. dollars, except for percentages)					
Selling and marketing expenses	3,305,713	30.9	6,538,770	40.6	7,378,885	21.0
General and administrative expenses	3,723,095	34.8	3,745,914	23.3	14,781,053	42.0
Research and development expenses	3,660,973	34.3	5,806,402	36.1	13,048,191	37.0
Total operating expenses	**10,689,781**	**100.0**	**16,091,086**	**100.0**	**35,208,129**	**100.0**

Selling and marketing expenses primarily consist of compensation paid to BJY's sales and marketing personnel, including share-based compensation, marketing expenses, travel and transportation expenses, entertainment expenses and others.

General and administrative expenses primarily consist of compensation paid to BJY's administrative staff and management team, including share-based compensation, rental expenses, office expenses, bad debt expenses and others.

Research and development expenses primarily consist of compensation paid to BJY's research and development staff, including share-based compensation, technical service fees paid to third-party R&D service providers, office expenses and others.

Results of Operations

The following table sets forth a summary of the consolidated results of operations of BJY for the fiscal years indicated. This information should be read together with the consolidated financial statements and related notes included elsewhere in this transition report on Form 20-F. The results of operations in any period are not necessarily indicative of the results that may be expected for any future period.

	Years ended June 30,					
	2020		2021		2022	
	US$	%	US$	%	US$	%
	(in U.S. dollars, except for percentages)					
Revenues	**23,369,292**	**100.0**	**41,449,420**	**100.0**	**68,600,378**	**100.0**
Cost of revenues	(10,054,871)	(43.0)	(22,921,696)	(55.3)	(50,168,530)	(73.1)
Gross profit	**13,314,421**	**57.0**	**18,527,724**	**44.7**	**18,431,848**	**26.9**
Operating expenses						
Selling and marketing expenses	(3,305,713)	(14.1)	(6,538,770)	(15.8)	(7,378,885)	(10.8)
General and administrative expenses	(3,723,095)	(15.9)	(3,745,914)	(9.0)	(14,781,053)	(21.5)
Research and development expenses	(3,660,973)	(15.7)	(5,806,402)	(14.0)	(13,048,191)	(19.0)
Total operating expenses	**(10,689,781)**	**(45.7)**	**(16,091,086)**	**(38.8)**	**(35,208,129)**	**(51.3)**
Income/(loss) from operations	**2,624,640**	**11.2**	**2,436,638**	**5.9**	**(16,776,281)**	**(24.5)**
Interest income, net	7,267	0.0	315,764	0.8	51,291	0.1
Investment income	529,735	2.3	777,758	1.9	768,454	1.1
Gain/ (loss) from equity method investment	—	—	(4,320)	(0.0)	580,816	0.8
Other income, net	625,539	2.7	465,649	1.1	1,118,105	1.6
Income/(loss) before income taxes	**3,787,181**	**16.2**	**3,991,489**	**9.6**	**(14,257,615)**	**(20.8)**
Income tax benefit/ (expenses)	(91,991)	(0.4)	(342,156)	(0.8)	1,637,485	2.4
Net Income/ (loss)	**3,695,190**	**15.8**	**3,649,333**	**8.8**	**(12,620,130)**	**(18.4)**

Year Ended June 30, 2022 Compared to Year Ended June 30, 2021

Revenues

The revenues of BJY were US$68.6 million in the 2022 fiscal year, representing an increase of 65.5% from US$41.4 million in 2021 fiscal year. The increase in total revenues was due to (1) a 46.8% increase in the revenues from SaaS/PaaS solutions from US$21.3 million in the 2021 fiscal year to US$31.3 million in the 2022 fiscal year as a result of increased revenues from SMS solutions, which was in turn due to increased number of relevant customers, (2) a significant increase in the revenues from customized platform development services from nil in the 2021 fiscal year to US$10.3 million in the 2022 fiscal year as BJY started generating revenues from such services in 2022 fiscal year, and (3) a 43.7% increase in the revenues from AI solution services from US$17.5 million in the 2021 fiscal year to US$25.1 million in the 2022 fiscal resulting from increasing customer demand to integrate AI-enabled devices and applications with real-time communications solutions.

Cost of Revenues

The cost of revenues of BJY increased significantly from US$22.9 million in the 2021 fiscal year to US$50.2 million in the 2022 fiscal year, primarily due to (1) a significant increase in AI solution costs from US$12.3 million in the 2021 fiscal year to US$19.1 million in the 2022 fiscal year as a result of the expansion of AI solution services, and (2) a significant increase in SMS costs from US$5.4 million in the 2021 fiscal year to US$16.2 million in the 2022 fiscal year, which was generally in line with the development of its SMS solutions.

Gross Profit

As a result of the foregoing, the gross profit of BJY remained relatively stable at US$18.5 million and US$18.4 million in the 2021 and 2022 fiscal years, respectively. The gross profit margin of BJY decreased from 44.7% in the 2021 fiscal year to 26.9% in the 2022 fiscal year, primarily due to (1) the introduction of customized platform development services, which had a relatively lower profit margin, (2) the decrease in gross profit margin of AI solution services from 29.5% in 2021 fiscal year to 23.9% in the 2022 fiscal year as hardware products were purchased and integrated into related projects, and (3) an increase in the percentage of revenues contributed by SMS solutions, which has a relatively low gross profit margin.

Operating Expenses

The total operating expenses of BJY increased significantly from US$16.1 million in the 2021 fiscal year to US$35.2 million in the 2022 fiscal year. The operating expenses as a percentage of total revenues increased from 38.8% in the 2021 fiscal year to 51.3% in 2022 the fiscal year.

Selling and Marketing Expenses. The selling and marketing expenses of BJY increased by 12.8% from US$6.5 million in the 2021 fiscal year to US$7.4 million in the 2022 fiscal year. The increase was primarily due to (1) the incurrence of share-based compensation of US$1.0 million in the 2022 fiscal year to incentivize its sales and marketing personnel, and (2) a 19.0% increase in general staff compensation from US$3.8 million in the 2021 fiscal year to US$4.5 million in the 2022 fiscal year as a result of the expansion of its sale team to accommodate business growth. As a percentage of total revenues, the selling and marketing expenses decreased from 15.8% in the 2021 fiscal year to 10.8% in the 2022 fiscal year.

General and Administrative Expenses. The general and administrative expenses of BJY increased significantly from US$3.7 million in the 2021 fiscal year to US$14.8 million in the 2022 fiscal year. The increase was primarily due to (1) a significant increase in bad debt expenses from US$0.6 million in the 2021 fiscal year to US$7.8 million in the 2022 fiscal year as a result of the increase in accounts receivable, and (2) the incurrence of share-based compensation of US$2.0 million in the 2022 fiscal year to our management and employees in recognition of their continued services. As a percentage of total revenues, the general and administrative expenses increased from 9.0% in the 2021 fiscal year to 21.5% in the 2022 fiscal year.

Research and Development Expenses. The research and development expenses of BJY increased significantly from US$5.8 million in the 2021 fiscal year to US$13.0 million in the 2022 fiscal year. The increase was primarily due to (1) the incurrence of share-based compensation of US$6.3 million in the 2022 fiscal year to incentivize its research and development personnel, and (2) a 100.0% increase in technical service fee from US$0.6 million in the 2021 fiscal year to US$1.2 million in the 2022 fiscal year as BJY engaged third-party parties to assist on some R&D projects. As a percentage of total revenues, the research and development expenses increased from 14.0% in the 2021 fiscal year to 19.0% in the 2022 fiscal year.

Operating Income/(Loss)

As a result of the foregoing, BJY recorded operating loss of US$16.8 million in the 2022 fiscal year as compared to operating income of US$2.4 million in the 2021 fiscal year. The operating margin, defined as operating income/(loss) divided by total revenues, decreased from 5.8% in the 2021 fiscal year to (24.5%) in the 2022 fiscal year.

Income Tax Benefits/(Expenses)

BJY had income tax benefits of US$1.6 million in the 2022 fiscal year as compared to income tax expenses of US$0.3 million in the 2021 fiscal year, primarily due to an increase in deferred income tax benefit as result of the incurrence of operating loss.

Net Income/(Loss)

As a result of the foregoing, BJY recorded net loss of US$12.6 million in the 2022 fiscal year as compared to net income of US$3.6 million in the 2021 fiscal year.

Year Ended June 30, 2021 Compared to Year Ended June 30, 2020

Revenues

The revenues of BJY were US$41.4 million in the 2021 fiscal year, representing an increase of 77.4% from US$23.4 million in the 2020 fiscal year. The increase in total revenues was primarily due to (1) a significant increase in the revenues from AI solution services from US$0.8 million in the 2020 fiscal year to US$17.5 million in the 2021 fiscal year as BJY developed more clients for this business line through local sales offices, and (2) a significant increase in the revenues from customized platform development services from US$1.1 million in the 2020 fiscal year to US$2.7 million in the 2021 fiscal year as a result of an increase in the number of clients of online school and enterprise training software.

Cost of Revenues

The cost of revenues of BJY increased significantly from US$10.1 million in the 2020 fiscal year to US$22.9 million in the 2021 fiscal year, primarily due to (1) a significant increase in AI solution costs from US$0.6 million in the 2020 fiscal year to US$12.3 million in the 2021 fiscal year, generally in line with the development of AI solution services, and (2) the incurrence of SMS costs of US$5.4 million in the 2021 fiscal year as BJY started to offer SMS solutions in such fiscal year.

Gross Profit

As a result of the foregoing, the gross profit of BJY increased by 39.2% from US$13.3 million in the 2020 fiscal year to US$18.5 million in the 2021 fiscal year. The gross profit margin decreased from 57.0% in the 2020 fiscal year to 44.7% in the 2021 fiscal year, primarily due to (1) an increase in the percentage of revenues from AI solution services, which bears a relatively lower gross profit margin as hardware products were purchased and integrated into related projects, and (2) the introduction of SMS business in the 2021 fiscal year, which has a relatively lower gross profit margin.

Operating Expenses

The total operating expenses of BJY increased by 50.5% from US$10.7 million in the 2020 fiscal year to US$16.1 million in the 2021 fiscal year. The operating expenses as a percentage of total net revenues decreased from 45.7% in the 2020 fiscal year to 38.8% in the 2021 fiscal year.

Selling and Marketing Expenses. The selling and marketing expenses of BJY increased by 97.8% from US$3.3 million in the 2020 fiscal year to US$6.5 million in the 2021 fiscal year. The increase was primarily due to (1) a significant increase in marketing expenses from US$0.4 million in the 2020 fiscal year to US$2.0 million in the 2021 fiscal year as BJY stepped up its efforts in developing of new clients, and (2) a 46.2% increase in general staff compensation from US$2.6 million in the 2020 fiscal year to US$3.8 million in the 2021 fiscal year as a result of an increase in the headcount of salespeople. As a percentage of total revenues, the selling and marketing expenses increased from 14.1% in the 2020 fiscal year to 15.8% in the 2021 fiscal year.

General and Administrative Expenses. The general and administrative expenses of BJY remained stable at US$3.7 million and US$3.7 million in the 2020 and 2021 fiscal years, respectively. As a percentage of total revenues, the general and administrative expenses decreased from 15.9% in the 2020 fiscal year to 9.0% in the 2021 fiscal year.

Research and Development Expenses. The research and development expenses of BJY increased by 58.6% from US$3.7 million in the 2020 fiscal year to US$5.8 million in the 2021 fiscal year. The increase was primarily due to a significant increase in general staff compensation from US$2.9 million in the 2020 fiscal year to US$4.7 million in the 2021 fiscal year as a result of the enlarged R&D team. As a percentage of total revenues, the research and development expenses decreased from 15.7% in the 2020 fiscal year to 14.0% in the 2021 fiscal year.

Operating Incomes

As a result of the foregoing, the operating income of BJY decreased by 7.2% from US$2.6 million in the 2020 fiscal year to US$2.4 million in the 2021 fiscal year. The operating margin, defined as operating income divided by total revenues, decreased from 11.2% in the 2020 fiscal year to 5.9% in the 2021 fiscal year.

Income Tax Expenses

BJY recorded income tax expenses of US92,000 and US$0.3 million in the 2020 and 2021 fiscal years, respectively, primarily because a significant amount of deferred tax expense associated with previous years' net loss carryforward was recorded in the 2021 fiscal year.

Net Income/(Loss)

As a result of the foregoing, BJY recorded net income of US$3.7 million and US$3.6 million in the 2020 and 2021 fiscal years, respectively.

B. Liquidity and Capital Resources

BJY has funded its operations primarily through cash generated from operations, proceeds from issuance of equity securities and loans from related parties. As of June 30, 2020, 2021 and 2022, BJY had cash and cash equivalents of US$0.8 million, US$48.3 million and US$16.6 million, respectively, and restricted cash of US$0.2 million, US$8.9 million and US$8.4 million, respectively. Approximately 94% of BJY's cash and cash equivalents and restricted cash as of June 30, 2022 was held in China. Cash and cash equivalents primarily consists of bank deposits and highly liquid investments with original maturities of less than three months, which are unrestricted as to withdrawal or use. Restricted cash consists of bank deposits collateralized to banks for issuance of promissory notes and start-up support funds supervised by government that shall exclusively be used for high-level entrepreneurial talents.

BJY had net income of US$3.7 million and US$3.6 million for the 2020 and 2021 fiscal years, respectively, and net loss of US$12.6 million for the 2022 fiscal year. BJY had net cash provided by operating activities of US$4.3 million and US$4.8 million in the 2020 and 2021 fiscal years, respectively, and net cash used in operating activities of US$17.8 million in the 2022 fiscal year. BJY had net cash used in investing activities of US$7.8 million and US$27.5 million in the 2020 and 2022 fiscal years, respectively, and net cash provided by investing activities of US$9.8 million in the 2021 fiscal year. Net cash provided by financing activities, such as cash generated from issuance of preferred shares and loans from related parties, has been one of the principal sources of liquidity for BJY. In the 2020, 2021 and 2022 fiscal years, net cash provided by financing activities was US$0.5 million, US$39.3 million and US$13.1 million, respectively. As of June 30, 2022, BJY had short-term borrowing of US$0.1 million.

Although BJY consolidates the results of the VIE and its subsidiaries, it does not have direct access to the cash and cash equivalents or future earnings of the VIE and its subsidiaries. However, a portion of the cash balances of the VIE and its subsidiaries will be paid to BJY pursuant to its contractual arrangements with the VIE. For restrictions and limitations on liquidity and capital resources as a result of the corporate structure of BJY, see "— Holding Company Structure."

BJY believes that its existing cash and cash equivalents and anticipated cash flows from operating and financing activities will be sufficient to meet its anticipated working capital requirements and capital expenditures in the ordinary course of business for the next 12 months. BJY may, however, require additional cash resources due to changing business conditions or other future developments, including acquisitions or investments it may decide to selectively pursue. If the existing cash resources of BJY are insufficient to meet its requirements, it may seek to issue equity or debt securities or obtain credit facilities. The issue of additional equity securities would result in further dilution to its shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict its operations. There can be no assurance that financing will be available in the amounts BJY may need or on terms acceptable to it, if at all. If BJY is unable to obtain additional equity or debt financing as required, its business operations and prospects may suffer. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our Video-centric Technology Solution Business — We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all."

The following table sets forth a summary of the cash flows of BJY for the fiscal years indicated.

	Years ended June 30,		
	2020	2021	2022
		(in U.S. dollars)	
Net cash provided by/ (used in) operating activities	4,326,097	4,830,040	(17,822,222)
Net cash (used in)/ provided by investing activities	(7,752,684)	9,826,755	(27,517,136)
Net cash provided by financing activities	470,325	39,335,668	13,119,787
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(105,673)	2,152,149	38,777
Net (decrease)/ increase in cash, cash equivalents and restricted cash	(3,061,935)	56,144,612	(32,180,794)
Cash, cash equivalents and restricted cash at beginning of the year	4,077,564	1,015,629	57,160,241
Cash, cash equivalents and restricted cash at end of the year	1,015,629	57,160,241	24,979,447

Operating Activities

Net cash used in operating activities in the 2022 fiscal year was US$17.8 million, which reflected the net loss of US$12.6 million, as adjusted for the effects of changes in operating assets and liabilities and non-cash items. In the 2022 fiscal year, the principal items accounting for changes in operating assets and liabilities were (1) an increase of US$20.3 million in accounts receivable resulting from the increase in AI solution services and cloud related services, specifically, customized platform development services, (2) an increase of US$7.8 million in deferred contract costs in connection with new contracts for developing customized software platform and certain customer platform development projects, (3) an increase of US$3.5 million in our prepaid expenses and other current assets primarily representing payment to a proposed investee where the investment did not consummate, and (4) an increase of US$3.2 million in our prepayments in connection with certain new AI and system solution projects that required prepayment for equipment purchase, partially offset by an increase of US$15.8 million in accounts and notes payable as BJY increase the use of bank promissory notes to pay vendors. Adjustment for non-cash items primarily consisted of (1) share-based compensation of US$9.5 million, (2) provision for allowance of doubtful accounts of US$7.8 million and (3) deferred taxes of US$2.1 million.

Net cash provided by operating activities in the 2021 fiscal year was US$4.8 million, which reflected the net income of US$3.6 million, as adjusted for the effects of changes in operating assets and liabilities and non-cash items. In the 2021 fiscal year, the principal items accounting for changes in operating assets and liabilities were (1) an increase of US$6.7 million in accounts and notes payable as BJY expanded into other business lines, such as in AI solution services, (2) an increase of US$2.5 million in accrued expenses and other liabilities as BJY accrued annual bonus for the 2021 fiscal year, (3) an increase of US$1.7 million in advance from related parties for dual-teacher classroom solutions, and (4) a decrease of US$1.1 million in inventories, partially offset by (i) an increase of US$6.8 million in accounts receivables primarily due to the introduction of AI solution services, which typically require extension of payment terms to clients, and (ii) an increase of US$2.5 million in deferred contract costs as BJY started working on a long-term project for customized software platform. Adjustment for non-cash items primarily consisted of (1) investment income on short-term investments of US$0.8 million, (2) provision for doubtful accounts of US$0.6 million, and (3) amortization of operating lease right-of-use assets of US$0.6 million.

Net cash used in operating activities in the 2020 fiscal year was US$4.3 million, which reflects the net income of US$3.7 million, as adjusted for the effects of changes in operating assets and liabilities and non-cash items. In the 2020 fiscal year, the principal items accounting for changes in operating assets and liabilities were (1) an increase of US$2.2 million in advance from customers primarily due to the increase in BJY's SaaS business that requires clients to pay in advance, (2) an increase of US$1.3 million in accrued expenses and other liabilities primarily attributable to an increase in payroll accrual, and (3) a decrease of US$1.0 million in accounts receivable from related parties as the amount had been settled by the related party, partially offset by (i) an increase of US$1.6 million in accounts receivable as BJY extended payment terms to certain new customers, and (ii) an increase of US$1.4 million in inventories, primarily representing hardware purchased in connection with BJY's newly launched dual-teacher classroom solutions. Adjustment for non-cash items primarily consisted of (1) investment income on short-term investments of US$0.5 million and (2) amortization of operating lease right-of-use assets of US$0.4 million.

Investing Activities

Net cash used in investing activities in the 2022 fiscal year was US$27.5 million, primarily due to (1) purchases of short-term investments of US$172.6 million and (2) acquisition of long-term investments of US$25.9 million, partially offset by redemption of short-term investments of US$173.0 million.

Net cash provided by investing activities in the 2021 fiscal year was US$9.8 million, primarily due to redemption of short-term investments of US$293.3 million, partially offset by purchases of short-term investments of US$282.0 million.

Net cash used in investing activities in the 2020 fiscal year was US$7.8 million, primarily due to purchases of short-term investments of US$104.0 million, partially offset by redemption of short-term investments of US$96.4 million.

Financing Activities

Net cash provided by financing activities in the 2022 fiscal year was US$13.1 million, primarily due to (1) loans from related parties of US$15.0 million and (2) proceeds from issuance of Series C convertible redeemable preferred shares of US$11.8 million, partially offset by (i) the return of deposits received from a Series C preferred shareholder of US$11.8 million and (ii) a loan repayment of US$2.1 million.

Net cash provided by financing activities in the 2021 fiscal year was US$39.3 million, primarily due to (1) proceeds from issuance of Series B and Series B+ convertible redeemable preferred shares of US$28.0 million and (2) deposits received from a Series C preferred shareholder of US$11.3 million.

Net cash provided by financing activities in the 2020 fiscal year was US$0.5 million, primarily due to contribution from the non-controlling shareholders of US$0.5 million.

Capital Expenditures

The capital expenditures of BJY are incurred primarily in connection with acquisition of property and equipment such as computer equipment. BJY had capital expenditures of US$0.2 million, US$0.2 million and US$0.5 million in the 2020, 2021 and 2022 fiscal years, respectively.

Holding Company Structure

BJY is a Cayman Islands holding company, which does not have any substantive operations. BJY has carried out its video-centric technology solution business through Zhejiang WFOE since January 2, 2023 (and through Beijing WFOE from September 7, 2021 to January 1, 2023) and its contractual arrangements, commonly known as the VIE structure, with the VIE based in China and its shareholders, due to the PRC regulatory restrictions on direct foreign investment in internet-related services and certain other businesses. As a result, BJY's ability to pay dividends or otherwise fund and conduct its business depends upon dividends paid by its PRC subsidiaries. If its existing PRC subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to BJY. In addition, the wholly foreign-owned subsidiaries in China are permitted to pay dividends to BJY only out of their retained earnings, if any, as determined in accordance with their articles of association and PRC accounting standards and regulations. Under PRC law, each of the subsidiaries and the VIE and its subsidiaries in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve fund until such reserve fund reaches 50% of its registered capital. In addition, the subsidiaries and the VIE and its subsidiaries in China may allocate a portion of their after-tax profits based on PRC accounting standards to discretionary surplus funds at their discretion. The statutory reserve funds and the discretionary surplus funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE. The PRC subsidiaries of BJY have not paid dividends and will not be able to pay dividends until they generate accumulated profits and meet the requirements for statutory reserve funds.

Under PRC laws and regulations, as an offshore holding company, BJY is only permitted to provide funding to its PRC subsidiaries through loans or capital contributions, and to the VIE through loans, and such funding is subject to applicable government registration and approval requirements in China. As a result, there is uncertainty with respect to its ability to provide prompt financial support to its PRC subsidiaries and the VIE and its subsidiaries, when needed. Notwithstanding the foregoing, its PRC subsidiaries may use their own retained earnings (rather than Renminbi converted from foreign currency denominated capital) to provide financial support to the VIE either through entrustment loans from the PRC subsidiaries or direct loans to the VIE's nominee shareholders, which would be contributed to the VIE as capital injections. Such direct loans to the nominee shareholders would be eliminated in the consolidated financial statements of BJY against the VIE's share capital.

Financial Information Related to the VIE

The following tables present the financial information relating to the VIE and its subsidiaries of BJY, after the elimination of intercompany balances and transactions, as of and for the fiscal years ended June 30, 2020, 2021 and 2022.

Selected Consolidated Statements of Operations and Comprehensive Income (Loss) Data

	Years ended June 30,		
	2022	2021	2020
		(in U.S. dollars)	
Revenues	68,600,378	41,449,420	23,369,292
Cost of revenues	(50,047,764)	(22,921,696)	(10,054,871)
Total operating expenses	(35,067,782)	(16,091,086)	(10,689,781)
Net income/ (loss)	(12,271,120)	3,649,333	3,695,190

Selected Consolidated Balance Sheets Data

	As of June 30,	
	2022	2021
	(in U.S. dollars)	
ASSETS		
Current Assets		
Cash and cash equivalents	9,765,574	48,295,085
Restricted cash	8,376,345	8,865,156
Short-term investments	7,775,682	7,787,897
Notes receivable	107,662	—
Accounts receivable, net	22,522,334	9,056,775
Accounts receivable - related parties	95,549	—
Prepayments	1,604,496	967,366
Prepayments - related party	313,678	328,755
Inventories	1,831,796	568,641
Deferred contract costs	9,555,837	2,611,048
Due from related parties	89,578	563,797
Prepaid expenses and other current assets	2,467,269	2,094,712
Total Current Assets	**64,505,800**	**81,139,232**
Property and equipment, net	529,988	366,775
Intangible assets, net	3,345,419	553,924
Operating lease right of use assets	753,686	1,257,911
Deferred tax assets	2,193,792	176,437
Long-term deposits	—	243,400
Long-term investments	25,012,046	794,752
Goodwill	1,144,824	—
Other non-current assets	366,441	348,481
Total Non-Current Assets	**33,346,196**	**3,741,680**
Total Assets	**97,851,996**	**84,880,912**
LIABILITIES		
Current Liabilities		
Deposit payable	—	11,616,021
Short-term borrowing	149,296	—
Accounts and notes payable	21,898,915	8,356,031
Advance from customers	5,905,599	5,379,558
Advance from customers - related parties	268,905	1,706,224
Income tax payable	3,716	21,478
Deferred revenue	1,001,372	250,881
Deferred revenue - related party	63,911	180,779
Due to related parties	1,492,961	488,279
Operating lease liabilities, current	328,066	574,825
Accrued expenses and other liabilities	4,473,825	4,852,226
Total Current Liabilities	**35,586,566**	**33,426,302**
Deferred tax liabilities	209,612	—
Operating lease liabilities, noncurrent	354,051	628,046
Total Liabilities	**36,150,229**	**34,054,348**

Selected Consolidated Statements of Cash Flows Data

	Years ended June 30,		
	2022	2021	2020
		(in U.S. dollars)	
Net cash (used in)/ provided by operating activities	(17,822,222)	4,830,040	4,326,097
Net cash (used in)/ provided by investing activities	(27,517,136)	9,826,755	(7,752,684)
Net cash provided by financing activities	13,119,787	27,517,136	13,119,787

Off-balance Sheet Arrangements

BJY has not entered into any financial guarantees or other commitments to guarantee the payment obligations of any unconsolidated third parties. In addition, BJY has not entered into any derivative contracts that are indexed to its shares and classified as shareholders' equity, or that are not reflected in its consolidated financial statements. Furthermore, BJY does not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. Moreover, BJY does not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing, hedging or research and development services with it.

Contractual Obligations

The following table sets forth the contractual obligations of BJY as of June 30, 2022.

	Payments due by period				
	Total	Less than one year	One to three years	Three to five years	More than five years
			(in U.S. dollars)		
Lease payments	1,235,154	706,931	528,223	—	—

C. Research and Development, Patents and Licenses

See "Item 4. Information on the Company — B. Business Overview — Our Video-centric Technology Solution Business — Research and Development" and "Item 4. Information on the Company — B. Business Overview — Our Video-centric Technology Solution Business — Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this transition report on Form 20-F, BJY is not aware of any trends, uncertainties, demands, commitments or events for the 2022 fiscal year that are reasonably likely to have a material and adverse effect on the revenues, income, profitability, liquidity or capital resources, or that would cause the reported financial information to not necessarily be indicative of future results of operations or financial condition.

E. Critical Accounting Estimate

BJY prepares its financial statements in conformity with U.S. GAAP, which requires it to make judgments, estimates and assumptions. BJY continually evaluates these estimates and assumptions based on the most recently available information, its own historical experience and various other assumptions that it believes to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from its expectations as a result of changes in the estimates. Some of the accounting policies require a higher degree of judgment than others in their application and require significant accounting estimates.

The critical accounting policies, judgments and estimates that BJY believes to have the most significant impact on the consolidated financial statements are described below, which should be read in conjunction with the consolidated financial statements and accompanying notes and other disclosures included in this transition report. When reviewing the financial statements, you should consider:

- the selection of critical accounting policies,
- the judgments and other uncertainties affecting the application of such policies,
- the sensitivity of reported results to changes in conditions and assumptions.

Business Combination

BJY accounts for its business combinations using the acquisition method of accounting, which requires, among other things, allocation of the fair value of purchase consideration to the identifiable assets acquired and liabilities assumed, non-controlling interests, and the previously held equity interest in the acquiree immediately before obtaining control at their estimated fair values on the acquisition date. Any residual purchase price is recorded as goodwill. When determining the respective fair value, BJY makes significant estimates and assumptions, especially with respect to the intangible assets acquired. These intangible assets do not have observable prices. BJY's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and, as a result, actual results may differ from estimates.

Revenue Recognition

BJY accounts for its revenue according to ASC 606, "Revenue from Contracts with Customers," pursuant to which, revenue is recognized when the control of the promised goods or services is transferred to the customers, and the performance obligations under the contract have been satisfied, in an amount that reflects the consideration expected to be entitled to in exchange for those goods or services (excluding value-added taxes collected on behalf of government authorities). BJY's revenue contracts generally do not include a right of return in relation to the delivered products or services.

BJY determines revenue recognition through the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

BJY primarily generated revenues from contracts with customers through the following arrangements:

SaaS/PaaS Services

The SaaS/PaaS services include real-time engagement services and SMS services.

Real-time engagement services

BJY provides customers with SaaS/PaaS related services which are real-time engagement services for customers accessing BJY's enterprise cloud computing platform. The usage-based fees are earned from customers, and the unit price for each use is fixed in the contracts. The performance obligation associated with the platform access is a series of distinct services that have the same pattern of transfer, and the usage-based fees are recognized as revenue in the period in which the usage occurs.

Certain SaaS/PaaS related service contracts provide both hardware and real-time engagement services for a pre-determined period of time regardless of usage consumed during the period. The transaction price is allocated between the hardware and services to reflect their stand-alone selling prices which are observable in BJY's operations. BJY identifies two performance obligations in such SaaS/PaaS service contracts, as the customers can benefit from services and hardware separately. The revenue of performance obligation associated with the real-time engagement service is recognized as revenue on a time elapse basis over the pre-determined period, and the revenue of performance obligation associated with the hardware is recognized on the point of acceptance by the customers.

SMS services

BJY offers customers with a customer engagement platform with software designed to address specific use cases and a set of application programming interfaces to send and receive short messages. It uses intelligent sending features to ensure messages reliably reach end users wherever they are. The customers build use cases, such as appointment reminders, delivery notifications, order confirmations and many two-way and conversational use cases. The usage-based fees are earned from customers, and the unit price for each short message is fixed in the contracts. The performance obligation associated with the platform-assisted message distribution is a series of distinct services that have the same pattern of transfer, and the usage-based fees are recognized as revenue in the period in which the usage occurs.

Cloud Related Services

The cloud related services were comprised of customized platform development services and sale of software license and other cloud related services.

Customized platform development services

BJY provides customized platform development services to customers who aim to create a system that is integrated and large in nature. In this arrangement, BJY develops certain modules, which, once developed, together with other modules from other vendors, will be integrated into the customer's system. The module is not functional and does not benefit the customer on its own. The module is highly customized and developed specifically for the customer's needs. BJY does not provide any technical support service for such module and has no further obligation once the module is accepted. BJY recognizes revenue from customized platform development services at the point of customer acceptance.

Software license and other cloud related service

BJY provides software licenses for customers to be used for online schools or corporation training sessions. The software licenses are created based on an existing software framework with certain customization or design to meet the needs of different customers. Each developed software is functional on a standalone basis without any further upgrade or support and is regarded as a functional intellectual property. The control of the software license is transferred to the customer and BJY does not retain the right to limit the use of the software once transferred. BJY recognizes revenue of software license at the point of customer acceptance.

In certain contracts, BJY provides technical support service to the customer subsequent to the transfer of software license for a period of time, typically 12 months from customer acceptance. The transaction price is fixed in the contract and BJY allocates the transaction price to software license and technical support service by reference to their relative standalone selling price estimated using a residual approach. BJY recognizes revenue of technical support service over the service period.

In addition, BJY started to provide other software related services to customers, including design of online advertising videos and operation of online accounts in popular apps, during the 2021 fiscal year. For the 2021 and 2022 fiscal years, the revenue generated from these services was immaterial.

AI Solution Services

BJY's AI solution services pertain to arrangements with customers where BJY purchases or customizes a software development kit based on the customer's specific requirements, integrates it into a hardware, and sells hardware to the customer. AI solution services are considered as a single performance obligation, as the individual components of the software and hardware are not sold on a stand-alone basis and are not separated in the context of the contracts. Transaction price is fixed in the contracts. BJY recognizes revenues on the point of acceptance of the hardware. The AI solution services contract also provides standard warranty to the customers for a period of 12 months. BJY historically incurred little cost on the warranty and did not accrue warranty liabilities for these AI solution services.

Contract Balances

BJY classifies its right to consideration in exchange for services transferred to a customer as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional as compared to a contract asset which is a right to consideration that is conditional upon factors other than the passage of time. BJY recognizes accounts receivable in its consolidated balance sheets when it performs a service in advance of receiving consideration and it has the unconditional right to receive consideration. A contract asset is recorded when BJY has transferred services to the customer before payment is received or is due, and the right to consideration is conditional on future performance or other factors in the contract. As of June 30, 2021 and 2022, BJY had no contract assets.

BJY capitalizes incremental costs incurred to fulfill contracts that (1) relate directly to the contract, (2) are expected to generate resources that will be used to satisfy the performance obligation under the contract, and (3) are expected to be recovered through revenue generated under the contract. The compensation expenses of workforce hired solely for the purpose of providing certain cloud related services are considered incremental costs to fulfill the contracts. These contract costs are recorded as cost of revenues upon the recognition of the related revenues. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. As of June 30, 2021 and 2022, BJY had deferred contract costs of US$2.6 million and US$10.0 million, respectively. The amount of deferred contract cost charged to cost of revenues were nil, US$80,000 and US$2.6 million for the years ended June 30, 2020, 2021 and 2022, respectively. As of June 30, 2021 and 2022, no impairment allowance was recorded.

Contract liabilities are recognized if BJY receives consideration prior to satisfying the performance obligations, which include customer advances and deferred revenue, including the balances with related parties. Deferred revenue balance represents amount BJY has received from its customers from contracts primarily related to the real-time engagement services to be provided for a predetermined period of time under the SaaS/PaaS service arrangement, and the technical support service related to the software license product sales under the cloud related product and service arrangement. The consideration received from customers related to the remaining arrangements are included in advance from customer balance.

Practical Expedients

Payment terms and conditions vary by contract type; however, BJY's terms generally include a requirement of payment within a period between 90 to 180 days if not paid in advance. BJY has elected the practical expedient to not assess whether a significant financing component exists if the period between when transfer a promised good or service to a customer and when the customer pays for that good or service is one year or less.

Additionally, BJY has applied the practical expedient to not capitalize incremental costs of obtaining a contract if the amortization would be less than 12 months.

Accounts Receivable, Net

Accounts receivable are recorded at the gross billing amount less an allowance for any uncollectible accounts due from the customers. Accounts receivable do not bear interest. BJY records impairment losses for accounts receivable based on assessments of the recoverability of the accounts receivable and individual account analysis, including the current creditworthiness and the past collection history of each customer and current economic industry trends. Impairments arise when there is objective evidence indicate that the balances may not be collectible. The identification of bad and doubtful debts, in particular of a loss event, requires the use of judgment and estimates, which involve the estimates of specific losses on individual exposures, as well as a provision on historical trends of collections. Based on analysis of customers' credit and ongoing relationship, management makes conclusions whether any balances outstanding at the end of the period will be deemed non-collectable on an individual basis and on aging analysis basis. The provision is recorded against accounts receivables balances, with a corresponding charge recorded in the consolidated statements of operations and comprehensive income (loss). Delinquent account balances are written-off against the allowance for doubtful accounts after management has determined that the likelihood of collection is not probable.

Intangible Assets, Net

Intangible assets mainly include capitalized software development costs and intangible assets arising from business combination. BJY capitalizes certain software development costs related to the internal used unified communications platform during the application development stage. The costs related to preliminary project activities and post-implementation activities are expensed as incurred. Capitalized software development costs were not amortized as of June 30, 2021 and 2022 as the internal used unified communications platform is not ready for its intended use and its estimated useful life will be determined and periodically reassessed based on considerations for obsolescence, technology, competition, and other economic factors.

BJY performs valuation of the intangible assets arising from business combination to determine the relative fair value to be assigned to each asset acquired. The acquired intangible assets are recognized and measured at fair value and are amortized using the straight-line method or accelerated method over the estimated useful life of the assets. Amortization methods and estimated useful lives of the respective assets are set out as follows:

Category	Amortization Method	Estimated Useful Life
Capitalized software development costs	N/A	N/A
Intangible assets arising from business combination		
Distribution channel	Accelerated method	10 years
Technology	Straight-line method	10 years
Other	Straight-line method	5 years

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016 13, “Measurement of Credit Losses on Financial Instruments (ASC 326)”, which significantly changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. In November 2018, the FASB issued ASU 2018 19, “Codification Improvements to Topic 326, Financial Instruments-Credit Losses”, which amends Subtopic 326 20 (created by ASU 2016 13) to explicitly state that operating lease receivables are not in the scope of Subtopic 326 20. Additionally, in April 2019, the FASB issued ASU 2019 04, “Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments”;, in May 2019, the FASB issued ASU 2019 05, “Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief”;, in November 2019, the FASB issued ASU 2019 10, “Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates”, and ASU No. 2019 11, “Codification Improvements to Topic 326, Financial Instruments-Credit Losses”, and in March 2022, the FASB issued ASU 2022 02, “Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures” to provide further clarifications on certain aspects of ASU 2016 13 and to extend the nonpublic entity effective date of ASU 2016 13. The changes (as amended) are effective for BJY for annual and interim periods in fiscal years beginning after December 15, 2022, and, in connection with the consummation of the merger with Fuwei Film (Holdings) Co., Ltd. as discussed in Note 22 to the consolidated financial statements included elsewhere in this transition report, BJY adopted ASC 326 on July 1, 2022 using a modified retrospective approach and does not expect a material impact to its consolidated financial statements.

In May 2021, the FASB issued ASU 2021 04, “Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options”. ASU 2021 04 codifies how an issuer should account for modifications made to equity-classified written call options. The guidance in ASU 2021 04 requires the issuer to treat a modification of an equity-classified warrant that does not cause the warrant to become liability-classified as an exchange of the original warrant for a new warrant. This guidance applies whether the modification is structured as an amendment to the terms and conditions of the warrant or as termination of the original warrant and issuance of a new warrant. ASU 2021 04 is effective for all entities for fiscal years beginning after December 15, 2021. BJY does not expect the adoption of this update to have any material impact on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021 08, “Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers”, which requires entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination as if it had originated the contracts. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022 and for all other entities, December 15, 2023. Early adoption is permitted. BJY is currently evaluating the impact of this accounting standard update on its consolidated financial statements.

In November 2021, the FASB issued ASU 2021 10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance", which requires disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. The standard is effective for fiscal years beginning after December 15, 2021. BJY does not expect the adoption of this update to have any material impact on its consolidated financial statements and accompanying disclosures.

BJY does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated balance sheets, consolidated statements of operations and comprehensive income (loss), and consolidated statements of cash flows.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth certain information concerning our directors and executive officers as of the date of this transition report.

Directors and Executive Officers	Age	Position/Title
Gangjiang Li	47	Chairman of the Board and Chief Executive Officer
Yong Fang	45	Chief Financial Officer
Yi Ma	43	President and Director
Chun Liu	52	Independent Director
Erlu Lin	38	Independent Director
Lei Yan	41	Director

Mr. Gangjiang Li has served as the chairman of our board of directors and our chief executive officer since December 2022. Mr. Li the founder of BJY and has served as the chairman of the board of directors of BaiJiaYun Group Co., Ltd. (formerly known as Beijing Baijia Shilian Technology Limited) since its inception. Mr. Li has served as the chairman of Saimeite Technology Co. Ltd, an industrial intelligent manufacturing system supplier, since December 2020. From August 2014 to May 2017, Mr. Li served as the co-founder and chief technology officer at Gaotu Techedu Inc. (NYSE: GOTU) (formerly named as GSX Techedu Inc.), a Chinese online education platform that allows its users to search for courses related to various fields and subjects. Prior to that, he was the R&D head of Google China from April 2007 to October 2011 where he was responsible for AI research and development, as well as the R&D head of Intel China Ltd. Shanghai Branch from April 2003 to January 2007 where he focused on product design and development. In addition, Mr. Li served as an R&D engineer of Microsoft Group from July 2001 to March 2003, responsible for product research and development. Mr. Li received his bachelor's degree and a master's degree in computer science and technology in 1998 and 2000 respectively, both from Tsinghua University. He also received an EMBA degree from China Europe International Business School in 2019.

Mr. Yong Fang has served as our chief financial officer since December 2022 and the chief financial officer of BJY since June 2021. Mr. Fang is experienced in finance and accounting. From July 2018 to May 2021, he served as the assistant controller of Sangraf International Inc., a company focuses on manufacturing and distribution of premium graphite electrodes globally. From January 2018 to July 2018, Mr. Fang served as the technical accounting manager at SOA Projects, Inc., a company providing clients ranging from high-tech startups to fortune 100 companies with professional service including technical accounting, financial reporting and internal audit. From January 2015 to January 2018, Mr. Fang served as the senior auditor at the San Francisco office of Marcum LLP, an independent public accounting & advisory services firms. From January 2014 and January 2015, Mr. Fang worked as financial consultant at Murdock and Martel, which provides accounting, finance and human resources services to established and emerging growth companies in Silicon Valley, California. Mr. Fang received his bachelor's degree in Accounting in 2002 from Hunan University and his master's degree in Accounting and Financial Management in 2008 from Temple University. Mr. Fang also received his MBA degree in 2013 from Thomas Jefferson University/Philadelphia University. He holds a Certified Public Accountant designation from the State of New York and a Certified Fraud Examiner (inactive) from ACFE.

Mr. Yi Ma has served as our president and director since December 2022 and the chief executive officer at BaiJiaYun Group Co., Ltd. since December 2018. From September 2009 to December 2018, Mr. Ma served as the chief technology officer at Beijing Sohu Internet Information Service Co., Ltd. (NYSE: SOHU). He also served as an R&D engineer of Kuliu (Beijing) Information Technology Co., Ltd., responsible for product research and development from July 2007 to August 2009. Prior to that, Mr. Ma served as a senior engineer of Beijing Sohu Internet Information Service Co., Ltd. (NYSE: SOHU) from July 2004 to July 2007, responsible for product design and development. In addition, Mr. Ma served as an engineer of Beijing Ccidnet Information Technology Co., Ltd. from July 2001 to June 2004. Mr. Ma also worked in Beijing No. 131 Middle School as a math teacher from August 1999 to June 2001. He received a bachelor's degree in material science from China University of Geoscience in 1999 and an EMBA degree from Tsinghua University in 2018.

Mr. Chun Liu has served as our independent director since December 2022. He has also served as an independent non-executive director of DL Holding Group Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Stock Limited (Stock Code: 1709) since April 2020. Mr. Liu also currently serves, and has served, as the senior vice president of Phoenix New Media Ltd, a company listed by way of American depositary shares on the New York Stock Exchange (NYSE: FENG) since 2018. In addition, Mr. Liu served as a director and the chief cultural officer of Zhongnanhong Cultural Group Co., Ltd., a company listed on the SME board of the Shenzhen Stock Exchange (002445.SZ), and the president of its subsidiary, Jiangsu Zhongnan Film Co., Ltd., from 2015 to 2018. Mr. Liu has served as an independent director of Vipshop Holding Limited, a company listed by way of American depositary shares on the New York Stock Exchange (NYSE: VIPS) since 2013. Prior to that, he was a vice president of Sohu.com Limited, a company listed by way of American depositary shares on the Nasdaq Stock Market (Nasdaq: SOHU) from 2011 to 2013. From 2000 to 2011, Mr. Liu worked at Phoenix Satellite Television Holdings Ltd, with his last position being the executive director of Phoenix Chinese TV. Mr. Liu also served as an executive producer of China Central Television from 1994 to 2000. He received a bachelor's degree in Chinese from the Anhui Normal University in 1987 and a master's degree in television media from the Communication University of China in 1994, as well as an EMBA degree from Cheung Kong Graduate School of Business in 2009.

Mr. Erlu Lin has served as our independent director since December 2022. He currently serves as a managing partner of Decent Capital, leading the management and investment business of the fund platform with a management scale of up to RMB 3 billion. Prior to Decent Capital, Mr. Lin was the vice president and director of Lalami Information Technology Company from March 2021 to August 2022, a Chinese beauty e-commerce company, where he led the IPO project. From 2013 to 2020, Mr. Lin served as a director of Forebright Capital (formerly the direct investment department of Everbright Holdings (0165.HK)), where his investment areas focused on technology and finance, and he invested in several post-IPO projects, including Ming Yuan Cloud (0909.HK). In addition, Mr. Lin served as an investment manager at Far East Horizon (3360.HK) for equity and bond investment work. Mr. Lin also worked as an investment analyst at Ernst & Young and D. E. Shaw Group from 2009 to 2011. Mr. Lin obtained a bachelor's degree in statistics from Sun Yat-sen University in 2006 and a master's degree in actuarial science from Hong Kong University in 2008, as well as an EMBA degree from China Europe International Business School in 2019.

Mr. Lei Yan has served as our director since December 2022. Mr. Yan served as the chief executive officer and chairman of the board of Fuwei from July 2020 to December 2022. Mr. Yan has been the president of Shanghai Meicheng Enterprise Management Co., Ltd. since January 2020, where he is responsible for overall business management. Since April 2019, Mr. Yan has served as the director and president of Shandong Shengjia Industrial Park Management Co., Ltd., where he oversees business management. In addition, he has been the vice president of Shandong Hualong Group Co., Ltd. since 2013, where he is in charge of business administration and market expansion. He was also the director of marketing of Shandong Hualong from 2008 to 2013. From 2003 to 2008, he served as marketing manager, marketing salesman of the marketing department for Shandong Hualong. Mr. Yan graduated from the Hubei University of Economics in 2003, where his major was accounting computerization. He also studied business management at the China University of Petroleum from 2008 to 2010 for his undergraduate course and business administration for his master's course at Korea Daebul University in South Korea.

The business address of our directors and executive officers is 24F, A1 South Building, No. 32 Fengzhan Road, Yuhuatai District, Nanjing, the PRC. No family relationship exists between any of our directors and executive officers.

B. Compensation

Compensation of Directors and Executive Officers

In 2021, the aggregate cash compensation and benefits that Fuwei (currently known as Baijiayun Group Ltd) paid to the directors and executive officers, a group of six persons, was approximately RMB1.5 million. In the 2022 fiscal year, the aggregate cash compensation to our directors and executive officers (including our predecessor Fuwei) was RMB1.5 million. This amount consisted only of cash and did not include any share-based compensation or benefits in kind. Each of the directors and officers is entitled to reimbursement for all necessary and reasonable expenses properly incurred in the course of employment or service. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors, except that our PRC subsidiaries and the VIE are required by law to make contributions in amounts equal to certain percentages of each employee's salary, including bonuses and allowances, for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and housing provident fund.

Employment Agreements

We have entered into employment agreements with our executive officers. Each of our executive officers is employed for a specified time period, which will be automatically extended for successive one-year terms unless either party gives the other party a prior written notice to terminate employment. We may terminate the employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, including conviction or pleading of guilty to a felony, fraud, misappropriation or embezzlement, negligent or dishonest act to our detriment, misconduct or failure to perform his or her duty, disability, or death. An executive officer may terminate his or her employment at any time with a one-month prior written notice if there is a material and substantial reduction in such executive officer's existing authority and responsibilities or at any time if the termination is approved by our board of directors.

Each executive officer intends to agree to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use, except for our benefit, any confidential information. Each executive officer also intends to agree to assign to us all his or her all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets.

Each executive officer intends to agree that, during his or her term of employment and for a period of two years after terminating employment with us, such executive officer will not, without our prior written consent, (1) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (2) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (3) seek directly or indirectly, to solicit the services of, or hire or engage any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination,

Indemnification

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Pursuant to our memorandum and articles of association, our directors and officers, as well as any liquidator or trustee for the time being acting in relation to our affairs, will be indemnified and secured harmless out of our assets and profits from and against all actions, costs, charges, losses, damages and expenses that any of them or any of their heirs, executors or administrators may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duties in their respective offices or trusts. Accordingly, none of these indemnified persons will be answerable for the acts, receipts, neglects, or defaults of each other; neither will they be answerable for joining in any receipts for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to us may have been lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to us may be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts. However, this indemnity will not extend to any fraud or dishonesty that may attach to any of said persons.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

C. Board Practices

Board of Directors

Our board of directors consists of five directors. A director is not required to hold any shares in our company by way of qualification. A director who is not a shareholder of our company shall nevertheless be entitled to receive notice of and to attend and speak at general meetings of shareholders. A director may vote with respect to any contract or arrangement or proposed contract or arrangement in which he is interested and he may be counted in the quorum at any meeting of our directors provided (1) such director has declared the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested and (2) his vote is not otherwise disqualified by the chairman of the relevant board meeting, subject to any separate requirement for audit committee approval under applicable law or Nasdaq listing rules. The board may exercise all the powers of our company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and, subject to the Companies Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have established three committees under the board of directors, including an audit committee, a compensation committee and a nominating and corporate governance committee. As a foreign private issuer, we are permitted under the Nasdaq Stock Market Rules to follow home country corporate governance practices. We rely on these exemptions provided by the Nasdaq Stock Market Rules to foreign private issuers. For example, we do not (1) have a majority of the board be independent; (2) have a compensation committee or a nominating and corporate governance committee consisting entirely of independent directors; or (3) have an audit committee be composed of at least three members.

We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Mr. Erlu Lin, who is also the chairman, and Mr. Chun Liu. We have determined that each of Mr. Lin and Mr. Liu satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules and meets the independence standards under Rule 10A-3 under the Exchange Act. We have determined that Mr. Erlu Lin qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of our financial statements. The audit committee is responsible for, among other things:

- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services performed by our independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;

- meeting separately and periodically with management and our independent registered public accounting firms; and

- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and reporting regularly to the board of directors.

***Compensation Committee*.** Our compensation committee consists of Mr. Gangjiang Li, who also acts as the chairman, and Mr. Chun Liu. Mr. Liu satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;

- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;

- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans; and

- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Mr. Yi Ma, who also acts as the chairman, and Mr. Erlu Lin. Mr. Lin satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors, or for appointment to fill any vacancy;

- reviewing annually with our board of directors its composition in light of the characteristics of independence, age, skills, experience and availability of service to us;

- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;

- developing and reviewing the corporate governance principles adopted by the board and advising the board with respect to significant developments in the law and practice of corporate governance and our compliance with such laws and practices; and

- evaluating the performance and effectiveness of the board as a whole.

Duties of Directors

Under Cayman Islands laws, our directors have a common law duty of loyalty to act honestly in good faith with a view to our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth Courts have moved toward an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the ordinary shares. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Term of Directors

Pursuant to our memorandum and articles of association currently in effect, we may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing board. The directors shall also have the power from time to time and at any time to appoint any person as a director to fill a casual vacancy on the board or as an addition to the existing board, provided that any director so appointed by the board shall hold office only until the next following annual general meeting of our company and shall then be eligible for re-election. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the director, if any; but no such term shall be implied in the absence of express provision. Each director whose term of office expires shall be eligible for re-election at a meeting of the shareholders or re-appointment by the board.

A director will be removed from office if the director (1) resigns his office by notice in writing delivered to our company at the registered office or tendered at a meeting of the board, (2) becomes of unsound mind or dies, (3) without special leave of absence from the board, is absent from meetings of the board for six consecutive months and the board resolves that his office be vacated, (4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors, (3) is prohibited by law from being a director, or (6) ceases to be a director by virtue of any provision of the applicable Cayman law or is removed from office pursuant to our memorandum and articles of association. In addition, any director on our board may be removed by way of an ordinary resolution of shareholders.

D. Employees

As of June 30, 2022, we had a total of 592 full-time employees, including 383 for our video-centric technology solution business and 209 for our BOPET film business. Substantially all of our full-time employees are based in China.

The following table sets forth a breakdown of BJY's full-time employees by function as of June 30, 2022.

Function	Number of employees	% of total
Operations	69	18.1
Research and development	174	45.4
Sales and marketing	107	27.9
General administration	33	8.6
Total	**383**	**100.0**

BJY values the services and contribution by its personnel. BJY believes that its compensation and benefits packages are competitive within the industry. BJY offers its employees salaries, performance-based cash bonuses and other incentives. BJY makes contributions to social insurance and housing provident fund as required under PRC laws and regulations. In addition, BJY plans to provide some of its employees with share awards to align their interests more closely with its growth. To maintain the continued success, BJY has established training systems, under which it provides comprehensive on-board and regular continuing trainings for its employees. BJY has not experienced any major labor disputes and it believes that it maintains good working relationships with its employees.

BJY enters into individual employment agreements with certain of its employees to cover matters such as salaries, benefits and grounds for termination. BJY also enters into standard confidentiality and non-compete agreements with all of its full-time employees and employees that are directly involved in R&D and service provision.

E. Share Ownership

The following table sets forth information concerning the beneficial ownership of our ordinary shares, as of the date of this transition report, for:

- each of our directors and executive officers; and
- each person known to us to beneficially own 5% or more of our ordinary shares.

The percentage of beneficial ownership in the table below is calculated based on 83,785,806 ordinary shares, comprising 29,201,849 Class A ordinary shares and 54,583,957 Class B ordinary shares outstanding as of the date of this transition report. To our knowledge, except as indicated in the footnotes to the following table, the persons named in the table have sole voting and investment power with respect to all ordinary shares beneficially owned by them.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of the date of this transition report, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Class A ordinary shares	Class B ordinary shares	Total ordinary shares on an as-converted basis	% of total ordinary shares on an as-converted basis††	% of aggregate voting power†††
Directors and Executive Officers†					
Gangjiang Li[(1)]	—	28,055,888	28,055,888	33.49 %	64.92 %
Yong Fang	—	—	—	—	—
Yi Ma[(2)]	—	8,641,655	8,641,655	10.31 %	—
Chun Liu	—	—	—	—	—
Erlu Lin	—	—	—	—	—
Lei Yan[(3)]	—	—	—	—	—
All directors and executive officers as a group	—	36,697,543	36,697,543	43.80 %	64.92 %
Principal Shareholders:					
Gangjiang Li[(1)]	—	28,055,888	28,055,888	33.49 %	64.92 %
Xin Zhang[(4)]	—	17,886,414	17,886,414	21.35 %	31.64 %
Yi Ma[(2)]	—	8,641,655	8,641,655	10.31 %	—
Zhengxin Technology Limited[(5)]	6,064,656	—	6,064,656	7.24 %	0.72 %
Huatu Hong Yang International Limited[(6)]	5,008,493	—	5,008,493	5.98 %	0.59 %
IBettering International Group Limited[(7)]	4,820,374	—	4,820,374	5.75 %	0.57 %

† Except as indicated otherwise below, the business address of our directors and executive officers is 24F, A1 South Building, No. 32 Fengzhan Road, Yuhuatai District, Nanjing, the PRC.

†† Beneficial ownership information disclosed herein represents direct and indirect holdings of entities owned, controlled or otherwise affiliated with the applicable holder as determined in accordance with the rules and regulations of the SEC.

††† For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all outstanding shares of our Class A and Class B ordinary shares as a single class. Each holder of our Class A ordinary shares is entitled to one vote per share. Each holder of our Class B ordinary shares is entitled to 15 votes per share. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

(1) Represents 28,055,888 Class B ordinary shares held by Jia Jia BaiJiaYun Ltd, an entity wholly owned by Mr. Gangjiang Li. The registered address of Jia Jia BaiJiaYun Ltd is Star Chambers, Wickhams Cay II, P.O. Box 2221, Road Town, Totola, British Virgin Islands. When calculating the aggregate percentage of voting power of Mr. Gangjiang Li, 8,641,655 Class B ordinary shares held by Nuan Nuan Ltd is also included, as Nuan Nuan Ltd, a wholly-owned subsidiary of Mr. Yi Ma, and Mr. Gangjiang Li are parties to an acting-in-concert agreement, pursuant to which Nuan Nuan Ltd agrees to exercise its voting power as a shareholder of the Company at the direction of Mr. Gangjiang Li.

(2) Represents 8,641,655 Class B ordinary shares held by Nuan Nuan Ltd, an entity wholly owned by Mr. Yi Ma. The registered address of Nuan Nuan Ltd is Star Chambers, Wickhams Cay II, P.O. Box 2221, Road Town, Totola, British Virgin Islands. See footnote (1).

(3) The business address of Mr. Lei Yan is No. 1999, Beixing Road, Sanxing Town, Chongming District, Shanghai.

(4) Represents 17,886,414 Class B ordinary shares held by Duo Duo International Limited, an entity wholly owned by Ms. Xin Zhang. The registered address of Duo Duo International Limited is Star Chambers, Wickhams Cay II, P.O. Box 2221, Road Town, Totola, British Virgin Islands. Certain Class B ordinary shares held by Duo Duo International Limited are held for the benefit of other employees of BJY.

(5) Represents 6,064,656 Class A ordinary shares held by Zhengxin Technology Limited. The registered address of Zhengxin Technology Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

(6) Represents 5,008,493 Class A ordinary shares held by Huatu Hong Yang International Limited, which is wholly beneficially owned by Huatu Hongyang Investment Co., Ltd. The business address of Huatu Hongyang Investment Co., Ltd. is Room 103, No.16, Xinhuanbei Street, Kaifa District, Tianjin, the PRC.

(7) Represents 4,820,374 Class A ordinary shares held by IBettering International Group Limited. The business address of IBettering International Group Limited is Start Chambers, Wickhams Cay II, P.O.Box 2221, Road Town, Totola, British Virgin Islands.

To our knowledge, as of the date of this transition report, 1,128,336 of our Class A ordinary shares are held by one record holder in the United States, representing approximately 1.35% of our total outstanding shares on an as converted basis. None of our shareholders has informed us that it is affiliated with a registered broker-dealer or is in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees — E. Share Ownership."

B. Related Party Transactions

Transactions with Related Parties

Sales to Related Parties

BJY provided SaaS services to Beijing Huatu Hongyang Education & Culture Co., Ltd. ("Beijing Huatu"), the controlling shareholder of one of the VIE's shareholders. BJY generated revenues of US$2.1 million, US$1.2 million and US$1.5 million in the 2020, 2021 and 2022 fiscal years, respectively. BJY recorded amounts due to Beijing Huatu of US$18,000 as of June 30, 2020. BJY also had advances from Beijing Huatu relating to Beijing Huatu's prepayment for BJY's services of US$6,000, US$1.7 million and US$0.3 million as of June 30, 2020, 2021 and 2022, respectively. In addition, BJY recorded deferred revenue of US$7,000, US$0.2 million and US$64,000 as of June 30, 2020, 2021 and 2022, respectively.

In the 2020 fiscal year, BJY provided SaaS services to Beijing Xiaodu Mutual Entertainment Technology Co., Ltd. ("Beijing Xiaodu"), one of the shareholders of the VIE, and generated revenues of US$1.6 million in the same fiscal year. Beijing Xiaodu ceased to hold shares in the VIE since September 2020.

In the 2020 fiscal year, BJY provided SaaS services to Nanjing Shilian Technology Co., Ltd. ("Nanjing Shilian"), the controlling shareholder of the VIE, and generated revenues of US$0.3 million in the same fiscal year.

In the 2022 fiscal year, BJY provided video-related technical services to Shanghai Saimeite Software Technology Co., Ltd. ("Shanghai Saimeite"), a company controlled by Mr. Gangjiang Li, and generated revenues of US$80,000 in the same fiscal year. As of June 30, 2022, BJY had accounts receivable due from Shanghai Saimeite of US$96,000. BJY also had advances from Saimeite Software Technology Co., Ltd., a company controlled by Mr. Gangjiang Li, of US$15,000 as of the same date.

Purchase from Related Parties

In the 2020 fiscal year, BJY purchased technical services from Wuhan BaiJiaShiLian, a company then controlled by Mr. Gangjiang Li, and recorded cost of revenues of US$400 in the same fiscal year. BJY acquired Wuhan BaiJiaShiLian in September 2021. Before the acquisition, Wuhan BaiJiaShiLian was a subsidiary of Jinan Zhongshi Huiyun (as defined below).

In the 2021 fiscal year, BJY purchased smart audio and video equipment from Beijing Deran, an unconsolidated affiliate of the VIE, and recorded cost of revenues of US$2,000 in the same fiscal year. As of June 30, 2021, BJY recorded amounts due to Beijing Deran of US$0.4 million. In March 2022, the VIE acquired an additional 17.62% equity interest of Beijing Deran for a total consideration of approximately RMB5.3 million (or approximate US$0.8 million). Prior to the transaction, the VIE held 33.38% of the equity interest in Beijing Deran. Through the acquisition, BJY obtained 51% of the equity interest in and control over Beijing Deran through the VIE. BJY has consolidated Beijing Deran in its financial statements since then.

In the 2020 fiscal year, BJY purchased video-related technical services from Jinan Zhongshi Huiyun Technology Co., Ltd. ("Jinan Zhongshi Huiyun"), a company controlled by Mr. Gangjiang Li, and recorded purchased amount of US$3,000 in the 2022 fiscal year. BJY recorded prepayments to Jinan Zhongshi Huiyun of US$0.3 million, US$0.3 million and US$0.3 million as of June 30, 2020, 2021 and 2022, respectively.

Related Party Loans

Loans from Related Parties

As of June 30, 2021, the amounts due to Mr. Gangjiang Li was US$0.1 million.

In July 2021, BJY and Mr. Gangjiang Li entered into a loan agreement, pursuant to which BJY borrowed US$2.1 million for working capital needs. The loan had a term of six months and was interest-free. BJY fully repaid this loan in December 2021.

In November 2021 and December 2021, the VIE entered into two loan agreements with Jinan Huiyun Quantum Technology Co., Limited, a company controlled by Mr. Gangjiang Li, to borrow RMB6.0 million and RMB2.6 million, respectively. These loans had a term of one month and were interest-free. The VIE fully repaid these loans in November and December 2021, respectively.

In December 2021 and April 2022, the VIE entered into two loan agreements with Nanjing Jiashilian Venture Capital Center (Limited Partnership), a company controlled by Mr. Gangjiang Li, to borrow RMB8.0 million and RMB60.0 million, respectively. These loans had a term of one month and were interest-free. The VIE fully repaid these loans in December 2021 and April 2022, respectively.

In January 2022, BJY and Mr. Gangjiang Li entered into a loan agreement, pursuant to which BJY borrowed US$10.0 million for working capital needs. The loan had a term of one year and was interest-free. BJY fully repaid this loan in January 2022.

In February 2022, the VIE entered into a loan agreement with Duo Duo International Limited and its shareholder, Ms. Xin Zhang, to borrow US$4.0 million. The loan had a term from February 4, 2022 to February 28, 2023 and was interest-free. The VIE fully repaid this loan in February 2022.

In April 2022, the VIE entered into a loan agreement with Beijing Credit Chain Technology Co., Ltd. ("Beijing Credit Chain"), one of the shareholders of the VIE prior to September 2020 and controlled by the spouse of Mr. Gangjiang Li, to borrow RMB10.0 million (or approximate US$1.5 million). The loan had a term from April 26, 2022 to July 31, 2022 and was interest-free. As of June 30, 2022, the amounts due to Beijing Credit Chain was US$1.5 million. The VIE fully repaid the loan in July 2022.

In April 2022, the VIE entered into a loan agreement with Duo Duo International Limited to borrow US$1.5 million. The loan had a term from April 14, 2022 to March 31, 2023 and was interest-free. As of June 30, 2022, the amounts due to Duo Duo International Limited was US$1.5 million. The VIE fully repaid the loan in October 2022.

In April 2022, BJY entered into certain loan agreements with Mr. Gangjiang Li, pursuant to which BJY borrowed a total of US$10.0 million from Mr. Gangjiang Li. The loans were interest-free and due on December 31, 2022. As of June 30, 2022, the amounts due to Mr. Gangjiang Li. was US$10.0 million. These loans were fully repaid in July 2022.

In July 2022, BJY entered into certain loan agreement with Mr. Gangjiang Li, pursuant to which BJY borrowed US$10.0 million from Mr. Gangjiang Li. The loan was interest-free and due on December 31, 2022. BJY repaid the loan in full in December 2022.

In October 2022, BJY entered into certain loan agreement with Mr. Gangjiang Li, pursuant to which BJY borrowed US$5.0 million from Mr. Gangjiang Li. The loan is interest-free and due on December 31, 2022. BJY repaid the loan in full in December 2022.

Loan to Related Parties

As of June 30, 2020, the amounts due from Beijing Credit Chain was US$0.2 million.

In February 2021, the VIE extended an interest-free loan of RMB3.0 million to Wuhan Qiyun Shilian Technology Co., Ltd. ("Wuhan Qiyun Shilian"), an unconsolidated affiliate of the VIE, to support its working capital needs. The loan was originally due in February 2022 and was extended to February 2023. As of June 30, 2021 and 2022, the amounts due from Wuhan Qiyun Shilian was US$0.5 million and US$90,000, respectively. The loan was fully repaid in July 2022.

In October 2021, the VIE entered into a loan agreement with Beijing Jiani Jiarui Consulting Management Center (Limited Partnership), a company controlled by Mr. Gangjiang Li, to lend it RMB40.0 million. The loan had a term from October 27, 2021 to November 30, 2021 and was interest-free. The loan was fully repaid in November 2021.

In March 2022, the VIE entered into a line of credit with Wuhan Qiyun Shilian under which Wuhan Qiyun Shilian may borrow an aggregate of RMB2.0 million for working capital needs. Borrowings under such line of credit are interest free. No amount is currently outstanding under this line of credit.

In April 2022, the VIE entered into a loan agreement with Beijing Xinda Kechuang Technology Co., Limited, a company controlled by Mr. Gangjiang Li, to lend it RMB40.0 million. The loan had a term from April 8, 2022 to June 29, 2022 and bore a fixed interest rate of 4% per annum. This loan was fully repaid in April 2022.

Contractual Agreements

See "Item 4. Information on the Company — C. Organizational Structure — Contractual Arrangements and Corporate Structure."

Employment Agreements

See "Item 6. Directors, Senior Management and Employees — B. Compensation — Employment Agreements."

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

The information required by this item is set forth beginning on page F-1 of this transition report on Form 20-F.

Legal or Arbitration Proceedings

The information on legal or arbitration proceedings required by this item is set forth in "Item 4. Information on the Company — B. Business Overview — Our Video-centric Technology Solution Business — Legal Proceedings."

Dividend Policy

We have not declared or paid any dividends. We do not have any present plans to pay any dividends on ordinary shares in the foreseeable future. We intend to retain the available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Item 3. Key Information — D. Risk Factors — Risks Related to Doing Business in China — We may rely on dividends, loans and other distributions on equity paid by our principal operating subsidiaries to fund offshore cash and financing requirements. Any limitation on the ability of our PRC operating subsidiaries to make payments to us could adversely affect our ability to conduct our business."

Our board of directors has discretion as to whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may pay dividends only out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

B. Significant Changes

Other than as set forth in this transition report on Form 20-F, no significant change has occurred with respect to us since the date of the audited consolidated U.S. GAAP financial statements included elsewhere in this transition report on Form 20-F.

Item 9. The Offer and Listing

A. Offer and Listing Details

The ordinary shares of our predecessor, Fuwei, were listed on the Nasdaq Global Market since December 18, 2006, under the symbol "FFHL." The listing of such ordinary shares was transferred to the Nasdaq Capital Market on April 28, 2015. Upon completion of the Merger between Fuwei and BJY, our Class A ordinary shares have continued to be listed on the Nasdaq Capital Market under a new symbol "RTC," effective on December 30, 2022.

B. Plan of Distribution

Not applicable.

C. Markets

See "— A. Offer and Listing Details" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands exempted company with limited liability, and our affairs are governed by our memorandum and articles of association, the Companies Act and the common law of the Cayman Islands.

We incorporate by reference into this transition report on Form 20-F our third amended and restated memorandum of association and second amended and restated articles of association, which was filed as Exhibit 1.1 to this transition report on Form 20-F (File Number 001-33176).

As of the date of this transition report, our authorized share capital consisted of 4,300,000,000 ordinary shares, par value of US$0.519008 per share, comprising 2,000,000,000 Class A ordinary shares and 2,300,000,000 Class B ordinary shares. As of the date of this transition report, 83,785,806 ordinary shares, comprising 29,201,849 Class A ordinary shares and 54,583,957 Class B ordinary shares were issued and outstanding.

Ordinary Shares

We were incorporated under the laws of the Cayman Islands as an exempted company with limited liability. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

The following summarizes the terms and provisions of our share capital, as well as the material applicable laws of the Cayman Islands. This summary is not complete, and you should read our memorandum and articles of association filed as exhibit to this transition report.

The following discussion primarily concerns Class A ordinary shares and the rights of holders of Class A ordinary shares.

Type and Class of Securities

Each ordinary share has a par value of US$0.519008 per share. Our ordinary shares may be held in either certificated or uncertificated form. Certificates representing the ordinary shares are issued in registered form. We may not issue shares to bearer. Our shareholders may freely hold and transfer their ordinary shares.

We have a dual-class voting structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall entitle the holder thereof to 15 votes on all matters subject to the vote at general meetings of our company. Due to the super voting power of Class B ordinary share holder, the voting power of the Class A ordinary shares may be materially limited. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

Protection of Minority Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one-fifth of our shares in issue, appoint an inspector to examine our affairs and report thereon in a manner as the Grand Court shall direct.

Any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding-up order if the court is of the opinion that it is just and equitable that we should be wound up. Where our shareholders have presented any such petition, the Grand Court is permitted to make alternative order to a winding-up order, including orders regulating the conduct of our affairs in the future, requiring us to refrain from doing an act complained of by the petitioner or for the purchase of our shares by us or another shareholder.

Claims against us by our shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our memorandum and articles of association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against, or derivative actions in our name to challenge:

- an act which is ultra vires or illegal;
- an act which constitutes a fraud against the minority shareholder and the wrongdoers are themselves in control of us; and,
- an irregularity in passing a resolution that requires a qualified (or special) majority.

Pre-emption Rights

There are no pre-emption rights applicable to the issue of new shares under either Cayman Islands law or our memorandum and articles of association.

Modification of Rights

Except with respect to share capital (as described below), alterations to our memorandum and articles of association may only be made by special resolution of no less than two-thirds of votes cast at a meeting of the shareholders.

Subject to the Companies Act, all or any of the special rights attached to shares of any class (unless otherwise provided for by the terms of issue of the shares of that class) may be varied, modified, or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

The provisions of our memorandum and articles of association relating to general meetings shall apply similarly to every such separate general meeting, but the quorum for the purposes of any such separate general meeting or at its adjourned meeting shall be a person or persons together holding (or represented by proxy) not less than one third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by such holder and that any holder of shares of that class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Alteration of Capital

We may, from time to time, by ordinary resolution:

- increase our capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of our share capital by the amount of the shares so canceled subject to the provisions of the Companies Act;
- sub-divide our shares or any of them into shares of smaller amount than is fixed by our memorandum and articles of association, subject nevertheless to the Companies Act, and so that the resolution whereby any share is subdivided may determine that, as between the holders of the share resulting from such subdivision, one or more of the shares may have any such preference or other special rights, or may have such deferred rights or be subject to any such restrictions as compared with, the others as we have the power to attach to unissued or new shares; and,
- divide shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares, attach to the shares respectively as preferential, deferred, qualified, or special rights, privileges, conditions, or such restrictions which, in the absence of any such determination in a general meeting, may be determined by our directors.

We may, by special resolution, subject to any confirmation or consent required by the Companies Act, reduce our share capital or any capital redemption reserve or other undistributable reserve in any manner authorized by law.

Transfer of Shares

Subject to any applicable restrictions set forth in our memorandum and articles of association, any of our shareholders may transfer all or any of his or her shares by an instrument of transfer in the usual or common form or in any form prescribed by the Nasdaq Capital Market or in any other form which our directors may approve. You should note that, under Cayman Islands law, a person whose name is entered on the register of members will be deemed to be a member or shareholder of our company. We have designated American Stock Transfer and Trust Company as our share registrar.

Our directors may decline to register any transfer of any share which is not paid up or on which we have a lien. Our directors may also decline to register any transfer of any share unless:

- the instrument of transfer is lodged with us accompanied by the certificate for the shares to which it relates, and such other evidence as our directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is duly and properly stamped (in circumstances where stamping is required); and
- a fee of such maximum sum as the Nasdaq Capital Market may at any time be determined to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall send to each of the transferors and the transferee notice of such refusal within two months after the date on which the instrument of transfer was lodged.

The registration of transfers may, on notice being given by advertisement in such one or more newspapers or by any other means in accordance with any requirements of the Nasdaq Capital Market, be suspended and the register closed at such times and for such periods as our directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our directors may determine.

Share Repurchase

We are empowered by the Companies Act and our memorandum and articles of association to purchase our own shares, subject to certain restrictions. Our directors may only exercise this power on our behalf, subject to the Companies Act, our memorandum and articles of association, and to any applicable requirements imposed from time to time by the SEC, the Nasdaq Capital Market, or by any recognized stock exchange on which our securities are listed.

Dividends

Subject to the Companies Act, we may declare dividends in any currency to be paid to our shareholders. Dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits that our directors determine is no longer needed. Our board of directors may also declare and pay dividends out of the share premium account or any other fund or account that can be authorized for this purpose in accordance with the Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides, (1) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid upon a share in advance of calls shall be treated for this purpose as paid up on that share; and, (2) all dividends shall be apportioned and paid pro-rata according to the amounts paid upon the shares during any portion or portions of the period in respect of which the dividend is paid.

Our directors may also pay any dividend that is payable on any shares semi-annually or on any other dates, whenever our financial position, in the opinion of our directors, justifies such payment.

Our directors may deduct from any dividend or other money payable to any shareholder all sums of money (if any) presently payable by such shareholder to us on account of calls or otherwise.

No dividend or other money payable by us on or in respect of any share shall bear interest against us.

In respect of any dividend proposed to be paid or declared on our share capital, our directors may resolve and direct that: (1) such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that our shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if our directors so determine) in cash in lieu of such allotment, or (2) the shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our directors may think fit. We may also, on the recommendation of our directors, resolve in respect of any particular dividend that, notwithstanding the foregoing, it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right of shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest, or other sum payable in cash to any shareholder may be paid by check or warrant sent by mail addressed to the shareholder at his registered address or addressed to such person and at such addresses as the shareholder may direct. Every check or warrant shall, unless the shareholder or joint shareholders otherwise direct, be made payable to the order of the shareholder or, in the case of joint shareholders, to the order of the shareholder whose name stands first on the register in respect of such shares and shall be sent at their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to us.

All dividends unclaimed by shareholders for one year after having been declared may be invested or otherwise made use of by our board of directors for the benefit of our company until claimed. Any dividend unclaimed by shareholders after a period of six years from the date of declaration of such dividend may be forfeited and, if so forfeited, shall revert to us. The payment by our board of directors of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute us a trustee in respect thereof.

Whenever our directors have resolved that a dividend be paid or declared, our directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and, in particular, paid-up shares, debentures, or warrants to subscribe for our securities or securities of any other company. Where any difficulty arises regarding such distribution, our directors may settle it as they think expedient. In particular, our directors may issue fractional certificates, ignore fractions altogether or round the same up or down, fix the value for distribution purposes of any such specific assets, determine that cash payments shall be made to any of our shareholders upon the footing of the value so fixed in order to adjust the rights of the parties, vest any such specific assets in trustees as may seem expedient to our directors, and appoint any person to sign any requisite instruments of transfer and other documents on behalf of a person entitled to the dividend, which appointment shall be effective and binding on our shareholders.

Untraceable Shareholders

We are entitled to sell any shares of a shareholder who is untraceable, provided that:

- all checks or warrants in respect of dividends of such shares, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of twelve years prior to the publication of the advertisement and during the three months referred to in the third bullet point below;

- we have not during that time received any indication of the whereabouts or existence of the shareholder or person entitled to such shares by death, bankruptcy or operation of law; and,

- we have caused an advertisement to be published in newspapers in the manner stipulated by our memorandum and articles of association, giving notice of our intention to sell these shares, and a period of three months has elapsed since such advertisement, and the Nasdaq Capital Market has been notified of such intention.

The net proceeds of any such sale shall belong to us, and when we receive these net proceeds, we shall become indebted to the former shareholder for an amount equal to such net proceeds.

Issuance of Additional Ordinary Shares or Preference Shares

Subject to the Companies Act and the rules of the Nasdaq Capital Market and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, our board of directors may issue additional ordinary shares from time to time as our board of directors determines, to the extent of available authorized but unissued shares and establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms, and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, conversion rights, voting rights; and,
- the rights and terms of redemption and liquidation preferences.

Subject to the foregoing, our board of directors may issue a series of preference shares without action by our shareholders to the extent authorized but unissued. Accordingly, the issuance of preference shares may adversely affect the rights of the holders of the ordinary shares. In addition, the issuance of preference shares may be used as an anti-takeover device without further action on the part of the shareholders. Issuance of preference shares may dilute the voting power of holders of ordinary shares.

Committees of Board of Directors

Pursuant to our articles of association, our board of directors, we have established an audit committee, a compensation committee, and a corporate governance and nominating committee. See “Item 6. Directors, Senior Management and Employees — C. Board Practices—Committees of the Board of Directors.”.

Differences in Corporate Law

The Companies Act is modeled after similar laws in the United Kingdom but does not follow recent changes in United Kingdom laws. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States, such as in the State of Delaware.

Duties of Directors

Under Cayman Islands law, at common law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty has four essential elements:

- a duty to act in good faith in the best interests of the company;
- a duty not to personally profit from opportunities that arise from the office of the director;
- a duty to avoid conflicts of interest; and,
- a duty to exercise powers for the purpose for which such powers were intended.

In general, the Companies Act imposes various duties on officers of a company with respect to certain matters of management and administration of the company. The Companies Act contains provisions that impose default fines on persons who fail to satisfy those requirements. However, in many circumstances, an individual is only liable if he knowingly is guilty of the default or knowingly and willfully authorizes or permits the default.

In comparison, under Delaware law, the business and affairs of a corporation are managed by or under the direction of its board of directors. In exercising their powers, directors are charged with a fiduciary duty of care to protect the interests of the corporation and fiduciary duty of loyalty to act in the best interests of its shareholders. The duty of care requires that directors act in an informed and deliberative manner and inform themselves, of all material information reasonably available to them prior to making a business decision. The duty of care also requires that directors exercise care in overseeing and investigating the conduct of the corporation's employees. The duty of loyalty may be summarized as the duty to act in good faith, not out of self-interest, and in a manner that the director reasonably believes to be in the best interests of the shareholders.

Under Delaware law, a party challenging the propriety of a board of directors' decision bears the burden of rebutting the applicability of the presumptions afforded to directors by the "business judgment rule." If the presumption is not rebutted, the business judgment rule protects the directors and their decisions, and their business judgments will not be second-guessed. Where, however, the presumption is rebutted, the directors bear the burden of demonstrating the entire fairness of the relevant transaction. Notwithstanding the foregoing, Delaware courts subject directors' conduct to enhanced scrutiny in respect of defensive actions taken in response to a threat to corporate control and approval of a transaction resulting in a sale of control of the corporation.

Interested Directors

There are no provisions under the Companies Act requiring a director interested in a transaction entered into by a Cayman Islands company to disclose his interest. However, under our memorandum and articles of association, our directors are required to do so, and in the event that they do not do so, it may render such directors liable to such company for any profit realized pursuant to such transaction.

In comparison, under Delaware law, such a transaction would not be voidable if (1) the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, (2) such material facts are disclosed or are known to the shareholders entitled to vote on such transaction, and the transaction is specifically approved in good faith by vote of the shareholders, or (3) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, a director could be held liable for any transaction in which such a director derived an improper personal benefit.

Voting Rights and Quorum Requirements

Under Cayman Islands law, shareholders' voting rights are regulated by the company's articles of association and, in certain circumstances, the Companies Act. The articles of association will govern matters such as quorum for the transaction of business, rights of shares, and majority votes required to approve any action or resolution at a meeting of the shareholders or board of directors. Under Cayman Islands law, certain matters must be approved by a special resolution which is defined as two-thirds of the votes cast by shareholders present at a meeting and entitled to vote or such higher majority as is specified in the articles of association; otherwise, unless the articles of association otherwise provide, the majority is usually a simple majority of votes cast.

In comparison, under Delaware law, unless otherwise provided in the corporation's certificate of incorporation, each shareholder is entitled to one vote for each share of stock held by the shareholder. Unless otherwise provided in the corporation's certificate of incorporation or bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum at a meeting of shareholders. In matters other than the election of directors, with the exception of special voting requirements related to extraordinary transactions, the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote is required for shareholder action, and the affirmative vote of a plurality of shares is required for the election of directors.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless a court in the Cayman Islands waives this requirement.

Save in certain circumstances, a dissentient shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to a merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of appraisal rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

There are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are present and voting either in person or by proxy at a meeting, or meetings convened for that purpose.

The convening of the meetings and, subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the company is not proposing to act illegally, or ultra vires, and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such as a business person would reasonably approve; and,
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority."

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith, or collusion.

Cayman Islands laws do not require that shareholders approve sales of all or substantially all of a company's assets as is commonly adopted by U.S. corporations.

If the arrangement and reconstruction are thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissent shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

The Cayman Islands Grand Court Rules allow shareholders to seek to leave to bring derivative actions in the name of the Company against wrongdoers. In principle, we will normally be the proper plaintiff, a minority shareholder may not bring a derivative action. However, based on English authorities, who would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of its authority, could be affected duly if authorized by more than a simple majority vote which has not been obtained; and,
- those who control the company are perpetrating a "fraud on the minority."

Class actions and derivative actions are generally available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste, and actions not taken according to applicable law. In such actions, the court generally has the discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Corporate Governance

Cayman Islands laws do not restrict transactions with directors, requiring only those directors to exercise a duty of care and owe a fiduciary duty to the companies for which they serve. Under our memorandum and articles of association, subject to any separate requirement for audit committee approval under the applicable rules of the Nasdaq Stock Market, Inc. or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of his interest in any contract or arrangement which he is interested in, such a director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum at such meeting.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association provide for the indemnification of our directors, auditors and officers against all losses or liabilities incurred or sustained by him or her as a director, auditor, or officer of our company in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favor, or in which he or she is acquitted provided that this indemnity may not extend to any matter in respect of any fraud or dishonesty which may attach to any of these persons.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

We are managed by our board of directors. Our memorandum and articles of association provide that the number of our directors shall not be less than two unless otherwise determined by our shareholders in the general meeting. And subject to the forgoing, our board of directors shall have the power to determine the maximum number of directors. Currently, we have set our board of directors to have five directors. Any director on our board may be removed by way of an ordinary resolution of shareholders.

Subject to our memorandum and articles of association and the Companies Act, we may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing Board. Our board of directors shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the existing board. Any director so appointed by the board shall hold office only until the next following annual general meeting of ours and shall then be eligible for re-election. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the director, if any; but no such term shall be implied in the absence of express provision. Each director whose term of office expires shall be eligible for re-election at a meeting of the shareholders or re-appointment by the board.

Our directors are not required to hold any of our shares to be qualified to serve on our board of directors.

Meetings of our board of directors may be convened at any time deemed necessary by any of our directors. Advance notice of a meeting is not required if each director is entitled to attend consents to the holding of such meeting.

A meeting of our board of directors at which a quorum is present shall be competent to make lawful and binding decisions. At any meeting of our directors, each director is entitled to one vote.

Questions arising at a meeting of our board of directors are required to be decided by simple majority votes of the members of our board of directors present or represented at the meeting. In the case of a tie vote, the chairman of the meeting shall have a second or deciding vote. Our board of directors may also pass resolutions without a meeting by unanimous written consent.

Inspection of Corporate Records

Shareholders of a Cayman Islands company have no general right under Cayman Islands law to inspect or obtain copies of a list of shareholders or other corporate records of the company. However, these rights may be provided in the articles of association.

In comparison, under Delaware law, shareholders of a Delaware corporation have the right during normal business hours to inspect for any proper purpose, and to obtain copies of the list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation.

Shareholder Proposals

The Companies Act does not provide shareholders any right to bring business before a meeting or requisition a general meeting. However, these rights may be provided in the articles of association.

Unless provided in the corporation's certificate of incorporation or bylaws, Delaware law does not include a provision restricting the manner in which shareholders may bring business before a meeting.

Approval of Corporate Matters by Written Consent

The Companies Act allows a special resolution to be passed in writing if signed by all the shareholders and authorized by the articles of association.

In comparison, Delaware law permits shareholders to act by written consent signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of shareholders.

Calling of Special Shareholders Meetings

The Companies Act does not have provisions governing the proceedings of shareholders' meetings that are usually provided in the articles of association.

In comparison, Delaware law permits the board of directors or any person who is authorized under a corporation's certificate of incorporation or bylaws to call a special meeting of shareholders.

Staggered Board of Directors

The Companies Act does not contain statutory provisions that require staggered board arrangements for a Cayman Islands company. Such provisions, however, may validly be provided for in the articles of association.

In comparison, Delaware law permits corporations to have a staggered board of directors.

Anti-takeover Provisions

Neither Cayman Islands nor Delaware law prevents companies from adopting a wide range of defensive measures, such as staggered boards, blank check preferred, and removal of directors only for cause and provisions that restrict the rights of shareholders to call meetings, act by written consent and submit shareholder proposals.

C. Material Contracts

Material contracts other than in the ordinary course of business are described in "Item 4. Information on the Company" and "Item 7. Major Shareholders and Related Party Transactions" or elsewhere in this transition report.

D. Exchange Controls

See "Item 4. Information on the Company — B. Business Overview — Government Regulations — Regulations Related to Foreign Exchange."

E. Taxation

The following discussion is a summary of certain anticipated Cayman Islands, PRC and U.S. federal income tax consequences of an investment in our ordinary shares. The discussion does not deal with all possible tax consequences relating to an investment in our ordinary shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities, insurance companies and tax-exempt entities) may be subject to special rules. In particular, the discussion does not address the tax consequences under state, local, and other national tax laws. Accordingly, each prospective investor should consult its own tax advisor regarding the particular tax consequences to it of an investment in our ordinary shares. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date of this transition report, all of which are subject to change.

Cayman Islands Taxation

The Cayman Islands currently has no exchange control restrictions. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty.

There are no other taxes likely to be material to our company levied by the government of the Cayman Islands, save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties that are applicable to any payments made to or by our company.

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, we have obtained an undertaking from the Governor in Cabinet:

1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to our company or our operations; and,

2) in addition, no tax is levied on profits, income, gains, or appreciation, or no tax which is in the nature of estate duty or inheritance tax shall be payable by our company:

   (i) on or in respect of the shares, debentures, or other obligations of the Company; or,

   (ii) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concession Act (As Revised).

The undertaking is for a period of 20 years from August 24, 2004.

PRC Taxation

There are significant uncertainties under the EIT Law, which became effective on January 1, 2008, regarding our enterprise income tax (the "EIT") liabilities, such as a tax on any dividends paid to us by our PRC subsidiaries. The EIT Law also contains uncertainties regarding possible PRC withholding tax on dividends we pay to our overseas shareholders and gains realized from the transfer of our shares by our overseas shareholders.

Under the EIT Law, enterprises established under the laws of jurisdictions outside China with their "de facto management bodies" located within China may be considered to be PRC tax resident enterprises for tax purposes and subject to the tax obligations of a PRC tax resident. If our Cayman Islands holding company is considered as a PRC tax resident enterprise under the EIT Law, then our global income will be subject to EIT at the rate of 25%.

On April 22, 2009, the SAT issued a Notice Regarding Recognition of Overseas Incorporated Enterprises Controlled by PRC Domestic Enterprises as PRC Resident Enterprises Based on the De Facto Management Body Criteria (the "Tax Residency Notice"). Under the Tax Residency Notice, which was retroactively effective as of January 1, 2008, an overseas enterprise will be deemed to be a PRC resident enterprise and thus subject to EIT of 25% on its global income if it satisfies four conditions, including (1) the company's management team responsible for daily operations are located in China, or the location where the management team carries out their responsibilities is in China; (2) finance and personnel decisions are made or need approval by institutions or people in China; (3) the company's major property, accounting ledger, company seal and minutes of board meetings and shareholder meetings are kept in China; and, (4) at least half of the members of the board of directors with voting rights or the management team habitually live in China.

Although the Tax Residency Notice applies only to overseas registered enterprises controlled by PRC enterprises, not to those controlled by PRC individuals, the determining criteria set forth in the Tax Residency Notice may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises or individuals. If we are deemed a PRC resident enterprise, we may be subject to the EIT at 25% on our global income. If we are considered a resident enterprise and earn income other than dividends from our PRC subsidiaries, a 25% EIT on our global income could significantly increase our tax burden and materially and adversely affect our cash flow and profitability.

However, China-sourced income of foreign enterprises, such as dividends paid by a PRC subsidiary to its overseas parent, will normally be subject to PRC tax.

Furthermore, the implementation rules of the EIT Law provide that, (1) if the enterprise that distributes the dividends is domiciled in the PRC, or (2) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or capital gains are treated as China-sourced income. It is not clear how "domicile" may be interpreted under the EIT Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we are considered a PRC resident enterprise for PRC tax purposes, any dividends we pay to our overseas shareholders as well as gains realized by such shareholders from the transfer of our shares may be regarded as China-sourced income and, thus, may be subject to PRC tax.

If dividend payments from our PRC subsidiaries to us are subject to PRC withholding tax, our results of operations and financial condition, and the amount of dividends available to pay our shareholders may be adversely affected. Also, if dividends we pay to our overseas shareholders or gains realized by such shareholders from the transfer of our shares are subject to PRC tax, it may materially and adversely affect your investment return and the value of your investment in us. There is an income tax treaty in effect between the United States and China, so that U.S. shareholders may be entitled to certain benefits under such treaty.

U.S. Federal Income Taxation

General

The discussion below of the U.S. federal income tax consequences to "U.S. Holders" will apply to a beneficial owner of our ordinary shares that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or,
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A beneficial owner of our ordinary shares that is described above is referred to herein as a "U.S. Holder." If a beneficial owner of our ordinary shares is not described as a U.S. Holder and is not an entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes, such owner will be considered a "Non-U.S. Holder." The material U.S. federal income tax consequences applicable specifically to Non-U.S. Holders of owning and disposing of our ordinary shares are described below under the heading "Non-U.S. Holders."

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, Treasury regulations promulgated thereunder, published rulings, and court decisions, all as currently in effect. These authorities are subject to change or differing interpretations, possibly on a retroactive basis.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder's individual circumstances. In particular, this discussion considers only holders that own and hold our ordinary shares as capital assets within the meaning of Section 1221 of the Code, and does not address the potential application of the alternative minimum tax. In addition, this discussion does not address the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions or financial services entities;
- broker-dealers;
- persons that are subject to the mark-to-market accounting rules under Section 475 of the Code;
- tax-exempt entities;
- governments or agencies or instrumentalities thereof;
- insurance companies;

- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- persons that actually or constructively own 5% or more of our shares (by vote or value);
- persons that acquired our ordinary shares pursuant to an exercise of employee options, in connection with employee incentive plans or otherwise as compensation;
- persons that hold our ordinary shares as part of a straddle, constructive sale, hedging, conversion, or other integrated transaction;
- persons whose functional currency is not the U.S. dollar;
- controlled foreign corporations; or,
- passive foreign investment companies.

This discussion does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, or state, local or non-U.S. tax laws, except as discussed herein, any tax reporting obligations applicable to a holder of our ordinary shares. Additionally, this discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold our ordinary shares through such entities. If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of our ordinary shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. This discussion also assumes that any distribution made (or deemed made) by us on our ordinary shares and any consideration received (or deemed received) by a holder in consideration for the sale or other disposition of our ordinary shares will be in U.S. dollars.

We have not sought, and will not seek, a ruling from the Internal Revenue Service (the "IRS") or an opinion of counsel as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court. Moreover, there can be no assurance that future legislation, regulations, administrative rulings, or court decisions will not adversely affect the accuracy of the statements in this discussion.

THIS DISCUSSION IS ONLY A SUMMARY OF THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF OUR ORDINARY SHARES. IT IS NOT TAX ADVICE. EACH HOLDER OF OUR ORDINARY SHARES IS URGED TO CONSULT ITS OWN TAX ADVISOR IN RESPECT TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS AND ANY APPLICABLE TAX TREATIES.

U.S. Holders

Taxation of cash distributions paid on ordinary shares

Subject to the passive foreign investment company (the "PFIC") rules discussed below, a U.S. Holder generally will be required to include in gross income as ordinary income the amount of any cash dividend paid on our ordinary shares. A cash distribution on our ordinary shares generally will be treated as a dividend for U.S. federal income tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividend generally will not be eligible for the dividends-received deduction generally allowed to domestic corporations in respect of dividends received from other domestic corporations. The portion of such distribution, if any, in excess of such earnings and profits generally will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in our ordinary shares. Any remaining excess generally will be treated as gain from the sale or other taxable disposition of such ordinary shares and will be treated as described under "Taxation on the disposition of ordinary shares" below.

With respect to non-corporate U.S. Holders, such cash dividends may be subject to U.S. federal income tax at the lower applicable regular long term capital gains tax rate (see "Taxation on the disposition of ordinary shares" below) provided that, (1) our ordinary shares are readily tradable on an established securities market in the United States or, in the event we are deemed to be a PRC "resident enterprise" under the relevant PRC tax laws, we are eligible for the benefits of the Agreement between the Government of the United States of America and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Tax Evasion with Respect to Taxes on Income, or the U.S.-PRC Tax Treaty, (2) we are not a PFIC, as discussed below, for either the taxable year in which the dividend was paid or the preceding taxable year, and (3) certain holding period requirements are met. Under published IRS authority, shares are considered for purposes of clause (1) above to be readily tradable on an established securities market in the United States only if they are listed on certain exchanges, which presently include the Nasdaq Capital Market. Although our ordinary shares are currently listed and traded on the Nasdaq Capital Market, U.S. Holders nonetheless should consult their own tax advisors regarding the availability of the lower rate for any cash dividends paid in respect to our ordinary shares.

If a PRC income tax applies to any cash dividends paid to a U.S. Holder on our ordinary shares, such tax may be treated as a foreign tax eligible for a deduction from such holder's U.S. federal taxable income or a foreign tax credit against such holder's U.S. federal income tax liability (subject to applicable conditions and limitations). In addition, if such PRC tax applies to any such dividends, a U.S. Holder may be entitled to certain benefits under the U.S.-PRC Tax Treaty if such holder is considered a resident of the United States for purposes of, and otherwise meets the requirements of, the U.S.-PRC Tax Treaty. U.S. Holders should consult their own tax advisors regarding the deduction or credit for any such PRC tax and their eligibility for the benefits of the U.S.-PRC Tax Treaty.

Taxation on the disposition of ordinary shares

Upon a sale or other taxable disposition of our ordinary shares, and subject to the PFIC rules discussed below, a U.S. Holder will generally recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in the ordinary shares.

The regular U.S. federal income tax rate on capital gains recognized by U.S. Holders generally is the same as the regular U.S. federal income tax rate on ordinary income, except that long-term capital gains recognized by non-corporate U.S. Holders generally are subject to U.S. federal income tax at a maximum regular rate of 20%. A capital gain or loss will constitute long-term capital gain or loss if the U.S. Holder's holding period for our ordinary shares exceeds one year. The deductibility of capital losses is subject to various limitations.

If a PRC income tax applies to any gain from the disposition of our ordinary shares by a U.S. Holder, such tax may be treated as a foreign tax eligible for a deduction from such holder's U.S. federal taxable income or a foreign tax credit against such holder's U.S. federal income tax liability (subject to applicable conditions and limitations). In addition, if such PRC tax applies to any gain, such U.S. Holder may be entitled to certain benefits under the U.S.-PRC Tax Treaty if such holder is considered a resident of the United States for purposes of, and otherwise meets the requirements of, the U.S.-PRC Tax Treaty. U.S. Holders should consult their own tax advisors regarding the deduction or credit for any such PRC tax and their eligibility for the benefits of the U.S.-PRC Tax Treaty.

Passive foreign investment company rules

A foreign (i.e., non-U.S.) corporation will be a PFIC if at least 75% of its gross income in a taxable year of the foreign corporation, including its pro-rata share of the gross income of any corporation in which it is considered to own at least 25% of the shares by value, is passive income. Alternatively, a foreign corporation will be a PFIC if at least 50% of its assets in a taxable year of the foreign corporation, ordinarily determined based on fair market value and averaged quarterly over the year, including its pro-rata share of the assets of any corporation in which it is considered to own at least 25% of the shares by value, are held for the production of, or produce passive income. Passive income generally includes dividends, interest, rents, royalties (other than certain rents or royalties derived from the active conduct of a trade or business), and gains from the disposition of passive assets.

Because we have not performed a definitive analysis as to our PFIC status for our 2022 taxable year, there can be no assurance with respect to our PFIC status for such a taxable year. There also can be no assurance with respect to our status as a PFIC for our current taxable year or any future taxable year. The determination of whether we are or have been a PFIC is primarily factual, and there is little administrative or judicial authority on which to rely to make a determination of PFIC status. Accordingly, the IRS or a court considering the matter may determine that we are or were a PFIC during any particular year.

If we are determined to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. Holder of our ordinary shares, and, in the case of our ordinary shares, the U.S. Holder did not make either a timely qualified electing fund (the "QEF") election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) our ordinary shares, or a mark-to-market election, each as described below, such holder generally will be subject to special rules for regular U.S. federal income tax purposes with respect to:

- any gain recognized by the U.S. Holder on the sale or other disposition of our ordinary shares; and
- any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the ordinary shares during the three preceding taxable years of such U.S. Holder or, if shorter, such U.S. Holder's holding period for the ordinary shares).

Under these rules,

- the U.S. Holder's gain or excess distribution will be allocated a rate corresponding to the U.S. Holder's holding period for the ordinary shares;
- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we are qualified as a PFIC, will be taxed as ordinary income;
- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder; and,
- the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such other taxable year of the U.S. Holder.

In general, if we are determined to be a PFIC, a U.S. Holder may avoid the PFIC tax consequences described above with respect to our ordinary shares by making a timely QEF election (or a QEF election along with a purging election). Pursuant to the QEF election, a U.S. Holder generally will be required to include in income its pro-rata share of our net capital gains (as long-term capital gain) and other earnings and profits (as ordinary income), on a current basis, in each case whether or not distributed, in the taxable year of the U.S. Holder in which or with which our taxable year ends if we qualified as a PFIC in that taxable year. However, a U.S. Holder may make a QEF election only if we agree to provide certain tax information to such holders annually. At this time, we do not intend to provide U.S. Holders with such information as may be required to make a QEF election effective.

Alternatively, if a U.S. Holder, at the close of its taxable year, owns ordinary shares in a PFIC that are treated as marketable stock, the U.S. Holder may make a mark-to-market election in respect to such ordinary shares for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) ordinary shares and for which we are determined to be PFIC, such holder generally will not be subject to the PFIC rules described above in respect to its ordinary shares as long as such shares continue to be treated as marketable stock. Instead, in general, the U.S. Holder will include as ordinary income for each year that we are treated as a PFIC the excess, if any, of the fair market value of its ordinary shares at the end of its taxable year over the adjusted tax basis in its ordinary shares. The U.S. Holder also will be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted tax basis of its ordinary shares over the fair market value of such shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's adjusted tax basis in its ordinary shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of the ordinary shares in a taxable year in which we are treated as a PFIC will be treated as ordinary income. Special tax rules may also apply if a U.S. Holder makes a mark-to-market election for a taxable year after the first taxable year in which the U.S. Holder holds (or is deemed to hold) our ordinary shares and for which we are determined to be PFIC.

The mark-to-market election is available only for stock or warrants that are regularly traded on a national securities exchange that is registered with the SEC, including the Nasdaq Capital Market, or on a foreign exchange or market that the IRS determines has rules sufficient to ensure that the market price represents a legitimate and sound fair market value. While our ordinary shares currently are listed and traded on the Nasdaq Capital Market, U.S. Holders nonetheless should consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our ordinary shares under their particular circumstances.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, a U.S. Holder of our ordinary shares should be deemed to own a portion of the shares of such lower-tier PFIC, and could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, or the U.S. Holder were otherwise deemed to have disposed of an interest in, the lower-tier PFIC. U.S. Holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

A U.S. Holder that owns (or is deemed to own) ordinary shares in a PFIC during any taxable year of the U.S. Holder may have to file an IRS Form 8621 (whether or not a market-to-market election is or has been made) with such U.S. Holder's U.S. federal income tax return and provide such other information as may be required by the U.S. Treasury Department.

The rules dealing with PFICs and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of our ordinary shares should consult their own tax advisors concerning the application of the PFIC rules to our ordinary shares under their particular circumstances.

Additional taxes

Under current law, U.S. Holders that are individuals, estates, or trusts and whose income exceeds certain thresholds generally will be subject to a 3.8% Medicare contribution tax on unearned income, including, without limitation, dividends on, and gains from the sale or other taxable disposition of, our ordinary shares, subject to certain limitations and exceptions. U.S. Holders should consult their own tax advisors regarding the effect, if any, of such tax on their ownership and disposition of our ordinary shares.

Non-U.S. Holders

Cash dividends paid to a Non-U.S. Holder in respect to our ordinary shares, generally will not be subject to U.S. federal income tax, unless such dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States).

In addition, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain attributable to a sale or other taxable disposition of our ordinary shares unless such gain is effectively connected with its conduct of a trade or business in the United States (and, if required by an applicable income tax treaty is attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States), or the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of sale or other disposition, and certain other conditions are met (in which case such gain from U.S. sources generally is subject to U.S. federal income tax at a 30% rate or a lower applicable tax treaty rate).

Cash dividends and gains that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains or maintained in the United States) generally will be subject to regular U.S. federal income tax at the same regular U.S. federal income tax rates applicable to a comparable U.S. Holder and, in the case of a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to an additional branch profits tax at a 30% rate or a lower applicable tax treaty rate.

Backup Withholding and Information Reporting

In general, information reporting for U.S federal income tax purposes should apply to cash distributions made on our ordinary shares within the United States to a U.S. Holder (other than an exempt recipient) and to the proceeds from sales and other dispositions of our ordinary shares by a U.S. Holder (other than an exempt recipient) to or through a U.S. office of a broker. Payments made (and sales and other dispositions effected at an office) outside the United States will be subject to information reporting in limited circumstances. In addition, certain information concerning a U.S. Holder's adjusted tax basis in its ordinary shares and adjustments to that tax basis and whether any gain or loss with respect to such ordinary shares is long-term or short-term also may be required to be reported to the IRS, and certain holders may be required to file an IRS Form 8938 (Statement of Specified Foreign Financial Assets) to report their interest in our ordinary shares.

Moreover, backup withholding of U.S. federal income tax, at a rate of 24%, generally will apply to cash dividends paid on our ordinary shares to a U.S. Holder (other than an exempt recipient) and the proceeds from sales and other dispositions of our ordinary shares by a U.S. Holder (other than an exempt recipient), in each case who:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that backup withholding is required; or,
- in certain circumstances fails to comply with applicable certification requirements.

A Non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status, under penalties of perjury, on a duly executed applicable IRS Form W-8 or by otherwise establishing an exemption.

Backup withholding is not an additional tax. Rather, the amount of any backup withholding will be allowed as a credit against a U.S. Holder's or a Non-U.S. Holder's U.S. federal income tax liability may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS. Holders are urged to consult their own tax advisors regarding the application of backup withholding and the availability of and procedures for obtaining an exemption from backup withholding in their particular circumstances.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

The SEC maintains a website at *www.sec.gov* that contains reports, proxy statements and other information regarding registrants that file electronically with the SEC. We also make our periodic reports as well as other information filed with or furnished to the SEC available, free of charge, through our website, at *investor.baijiayun.com* (the content of our website does not form part of this transition report on Form 20-F).

We are subject to the information requirements of the Exchange Act and, in accordance therewith, is obligated to file annual reports on Form 20-F within the time specified by the SEC and furnish other reports and information on Form 6-K to the SEC. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to shareholders.

The SEC allows us to "incorporate by reference" the information we file with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this transition report on Form 20-F.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

Assets that potentially subject BJY to significant concentration of credit risk primarily consist of cash and cash equivalents. The maximum exposure of such assets to credit risk is their carrying amount as at the balance sheet dates. As of June 30, 2020, 2021 and 2022, US$1.0 million, US$57.2 million and US$25.0 million were deposited in financial institutions in the PRC, respectively, and each bank provides a deposit insurance with the maximum limit of RMB0.5 million (equivalent approximately US$79,000) to each of BJY's subsidiaries who has an associated account(s) in that bank. In addition, BJY maintains certain bank accounts in Hong Kong and Cayman, which are not insured by Federal Deposit Insurance Corporation insurance or other insurance. To limit the exposure to credit risk relating to deposits, BJY primarily places cash and cash equivalent deposits with large financial institutions in China which management believes are of high credit quality. BJY also continually monitors their credit worthiness.

BJY's operations are carried out in China. Accordingly, its business, results of operations and financial condition may be influenced by the political, economic and legal environments in the PRC as well as by the general state of the PRC's economy. In addition, BJY's business may be influenced by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, rates and methods of taxation among other factors.

Foreign Currency Risks

Substantially all of BJY's revenues and expenses and assets and liabilities are denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the Peoples' Bank of China ("PBOC") or other authorized financial institutions at exchange rates quoted by PBOC. Approval of foreign currency payments by the PBOC or other regulatory institutions requires submitting a payment application form together with suppliers' invoices and signed contracts. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market.

Concentration Risk

Accounts receivable are typically unsecured and derived from goods sold and services rendered to customers that are located primarily in China, thereby exposed BJY to credit risk. The risk is mitigated by BJY's assessment of customers' creditworthiness and its ongoing monitoring of outstanding balances. BJY has a concentration of its receivables with specific customers. As of June 30, 2021, three customers accounted for 25%, 15%, and 12% of accounts receivable, respectively. As of June 30, 2022, three customers accounted for 12%, 12%, and 11% of accounts receivable, respectively. No customer accounted for 10% or more of total revenues for the 2020, 2021 and 2022 fiscal years.

Other Risks

The business, results of operations and financial condition of BJY may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, such as the COVID-19 outbreak and spread, which could significantly disrupt its operations.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

The management of BJY, with the participation of its chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of its disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, BJY's management has concluded that, as of June 30, 2022, its disclosure controls and procedures were not effective. BJY has started to undertake steps to remediate the material weakness in its disclosure controls and procedures as set forth below under "Internal Control over Financial Reporting."

Management's Annual Report on Internal Control Over Financial Reporting

BJY's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15 (f) under the Exchange Act. BJY's management, with the participation of its chief executive officer and chief financial officer, evaluated the effectiveness of its internal control over financial reporting based on criteria established in the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, BJY's management has concluded that its internal control over financial reporting was not effective as of June 30, 2022.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm

This transition report on Form 20-F does not include an attestation report of our registered public accounting firm.

Internal Control over Financial Reporting

In the course of preparing and auditing its consolidated financial statements for the fiscal year ended June 30, 2022, BJY and its independent registered public accounting firm identified one "material weakness" in its internal control over financial reporting as of June 30, 2022. In accordance with U.S. GAAP and financial reporting requirements set forth by the SEC, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to the lack of sufficient number of financial reporting personnel with appropriate knowledge, experience and training of U.S. GAAP and SEC financial reporting requirements to properly address complex U.S. GAAP accounting issues and prepare and review financial statements and related disclosures in accordance with U.S. GAAP and reporting requirements set forth by the SEC.

To remedy the identified material weakness, BJY has begun to, and will continue to, improve its internal control over financial reporting, including, among others: (1) recruiting more qualified personnel equipped with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework, (2) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for its accounting and financial reporting personnel, (3) enhancing oversight over and clarifying reporting requirements for, non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with U.S. GAAP and SEC reporting requirements, (4) recruiting more qualified internal control personnel with experience in the requirements of the Sarbanes-Oxley Act and adopting accounting and internal control guidance on U.S. GAAP and SEC reporting, and (5) preparing more detailed guidance and manuals on financial closing policies and procedures to improve the quality and accuracy of period-end financial closing process. The implementation of these measures, however, may not fully address the material weakness identified in BJY's internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Other than as described above, there were not any changes in our internal controls over financial reporting that occurred during the period covered by this transition report on Form 20-F that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our board has determined that Mr. Erlu Lin qualifies as an "audit committee financial expert" as defined under the applicable rules of the SEC issued pursuant to Section 407 of the Sarbanes-Oxley Act of 2002. Each of Mr. Erlu Lin and Mr. Chun Liu satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Rules and meets the independence standards under Rule 10A-3 under the Exchange Act.

Item 16B. Code of Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our directors, officers and employees. This code is publicly available on our website at *investor.baijiayun.com*.

Item 16C. Principal Accountant Fees and Services

Prior to the consummation of the Merger, Shandong Haoxin Certified Public Accountants Co., Ltd. ("Shandong Haoxin") had been the independent public accounting firm of Fuwei. The audit fee of Shandong Haoxin in connection with the review and audit of Fuwei's financial statements for the fiscal year ended December 31, 2021 was US$154,000. The audit-related fee of Shandong Haoxin, including expenses for responding to SEC comments and out-of-pocket expenses, such as traveling and lodging, for the fiscal year ended December 31, 2021 amounted to US$347.

Prior to the consummation of the Merger, Friedman LLP was the independent public accounting firm of BJY for the review and audit of BJY's financial statements for the 2020 and 2021 fiscal years. Upon the consummation of the Merger, MaloneBailey, LLP has been engaged as the independent public accounting firm of Baijiayun Group Ltd. MaloneBailey, LLP also audited the financial statement of BJY for the 2022 fiscal year.

The following table sets forth the aggregate fees by category in connection with certain professional services rendered by Friedman LLP and MaloneBailey, LLP, the independent public accountants for BJY for the fiscal years indicated. BJY did not pay any other fees to its auditors during such fiscal years.

	Years ended June 30,	
	2021	2022
	(U.S. dollars in thousands)	
Audit fees[1]	400	780
Audit-related fees[2]	20	44
Total	**420**	**824**

(1) Audit fees represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal auditor for the audit of our annual consolidated financial statements, and audit services that are normally provided by the principal audit in connection with regulatory filings or engagements for those fiscal years.

(2) Audit-related fees represent expenses for responding to SEC comments and out-of-pocket expenses, such as traveling and lodging.

The policy of our audit committee is to pre-approve all audit and permissible non-audit services provided by our independent public accountant, including audit services, audit-related services and other services as described above.

Item 16D. Exemptions from the Listing Standards for Audit Committees

See "Item 16G. Corporate Governance."

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Following the completion of the merger transaction between Fuwei and BJY on December 23, 2022, Shandong Haoxin resigned as our independent registered public accounting firm on January 12, 2023. Effective from the same date, we appointed MaloneBailey, LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2023. The change of auditor was approved by our board of directors and audit committee.

The report of Shandong Haoxin on the consolidated financial statements of Fuwei as of and for the years ended December 31, 2020 and 2021 did not contain an adverse opinion or a disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principle.

During the years ended December 31, 2020 and 2021 and subsequent interim period through January 12, 2023, we did not have any disagreements, as that term is defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions thereto, with Shandong Haoxin on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures that, if not resolved to the satisfaction of Shandong Haoxin, would have caused them to make reference to the subject matter of the disagreement in connection with its audit reports on Fuwei's consolidated financial statements as of and for the years ended December 31, 2020 and 2021.

During the fiscal years ended December 31, 2020 and 2021 and subsequent interim period through January 12, 2023, there were no reportable events as defined in Item 16F (a)(1)(v) of Form 20-F, other than the material weakness reported by management in Item 15 of the annual report on Form 20-F of Fuwei filed with the SEC on April 28, 2022. The material weaknesses identified result from inadequate technical accounting staff with knowledge of and experience with the U.S. GAAP, pursuant to which Fuwei prepared its consolidated financial statements to support stand-alone external financial reporting under public company or SEC requirements.

During the years ended December 31, 2020 and 2021 and subsequent interim period through January 12, 2023, neither Fuwei nor anyone on our behalf consulted with MaloneBailey, LLP regarding either (1) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, nor has MaloneBailey, LLP provided to us a written report or oral advice that MaloneBailey, LLP concluded was an important factor considered by us in reaching a decision as to the accounting, auditing or financial reporting issue, except with respect to the audit of consolidated financial statement of BJY for the 2022 fiscal year and the preparation of this transition report, or (2) any matter that was either the subject of a "disagreement" with MaloneBailey, LLP as that term is defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions to Item 16F of Form 20-F, or a reportable event as that term is described in Item 16F(a)(1)(v) of Form 20-F.

We provided a copy of this disclosure to Shandong Haoxin and requested that Shandong Haoxin furnish us with a letter addressed to the SEC stating whether it agrees with the statements made above, and if not, stating the respects in which it does not agree. A copy of the letter of Shandong Haoxin dated January 20, 2023 is attached herewith as Exhibit 16.1.

Item 16G. Corporate Governance

As a Cayman Islands exempted company with limited liability listed on the Nasdaq Capital Market, we are subject to the Nasdaq Stock Market Rules for corporate governance listing standards. However, we qualify as a foreign private issuer (as defined in Rule 3b-4 under the Exchange Act) under the Nasdaq Stock Market Rules and we are permitted to follow home country practice in respect of certain corporate governance matters. As a result, our corporate governance practices differ in some respects from those required to be followed by U.S. companies listed on the Nasdaq Capital Market. For example, we do not (1) have a majority of the board be independent; (2) have a compensation committee or a nominating and corporate governance committee consisting entirely of independent directors; or (3) have an audit committee be composed of at least three members. Other than those described above, there are no other significant differences between our corporate governance practices and those followed by U.S. domestic companies under the Nasdaq Stock Market Rules. We may also continue to rely on these and other exemptions available to foreign private issuers in the future, and to the extent that we choose to do so, our shareholders may be afforded less protection than they otherwise would have under the Nasdaq Stock Market Rules applicable to U.S. domestic issuers. See "Item 3. Key Information — D. Risk Factors — Risks Related to the Ownership of our Securities — As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices for corporate governance matters that differ significantly from the Nasdaq corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance listing standards."

Furthermore, we are also permitted to rely on exemptions afforded to controlled companies. Jia Jia BaiJiaYun Ltd, Duo Duo International Limited and Nuan Nuan Ltd, as a group beneficially owns 96.56% of the voting power represented by all our issued and outstanding shares upon consummation of the merger transaction. We are, and expect to continue to be, a "controlled company" as defined under the Nasdaq Stock Market Rules. We currently rely on the exemptions with respect to (1) the requirement that a majority of the board of directors consist of independent directors, and (2) the requirement that the compensation committee and the nominating and corporate governance committee consist entirely of independent directors. See "Item 3. Key Information — D. Risk Factors — Risks Related to the Ownership of our Securities — We are a 'controlled company' within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies." Even if we cease to be a controlled company, we may still rely on exemptions available to foreign private issuers, including being able to adopt home country practices in relation to corporate governance matters, as described above.

We strive to evolve and update our corporate governance guidelines and best practices in the interest of transparency, long-term shareholder value and respect for minority shareholders. We disclose timely and accurate information regarding our operations and performance.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The information required by this item is set forth beginning on page F-1 of this transition report on Form 20-F.

Item 19. Exhibits

Exhibit Number	Description
1.1*	Third Amended and Restated Memorandum of Association and Second Amended and Restated Articles of Association
2.1*	Registrant's Specimen Certificate for Class A Ordinary Shares
2.2*	Description of Securities
2.3*	Shareholders Agreement by and among BaiJiaYun Limited and other parties thereto dated June 26, 2021
3.1*	Acting-in-concert Agreement by and among Gangjiang Li, Jia Jia BaiJiaYun Ltd, Yi Ma and Nuan Nuan Ltd dated December 23, 2022
4.1*	Agreement and Plan of Merger by and among Fuwei Films (Holdings) Co., Ltd. and Baijiayun Limited dated July 18, 2022
4.2*	Share Purchase Agreement by and among BaiJiaYun Limited and other parties thereto dated June 26, 2021
4.3*	Form of Warrant Agreement
4.3.1*	Schedule to Form of Warrant Agreement
4.4*	Form of Director Agreement between the Registrant and each of its directors
4.5*	Form of Employment Agreement between the Registrant and each of its executive officers
4.6*	English Translation of Exclusive Technical and Consulting Services Agreement among Zhejiang WFOE and the VIE dated January 2, 2023
4.7*	English Translation of Powers of Attorney among Zhejiang WFOE, the VIE and Its shareholders dated January 2, 2023
4.7.1*	Schedule to Powers of Attorney
4.8*	English Translation of Exclusive Option Agreements among Zhejiang WFOE, the VIE and Its shareholders dated January 2, 2023
4.8.1*	Schedule to Exclusive Option Agreements
4.9*	English Translation of Equity Interest Pledge Agreements among Zhejiang WFOE, the VIE and Its shareholders dated January 2, 2023
4.9.1*	Schedule to Equity Interest Pledge Agreements
4.10*	Supplemental Agreement to the Share Purchase Agreement by and among BaiJiaYun Limited and other parties dated July 13, 2022
8.1*	List of Subsidiaries and Consolidated Affiliate Entities
11.1*	Code of Business Conduct and Ethics
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
16.1*	Letter from Shandong Haoxin Certified Public Accountants Co., Ltd. to the SEC
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Inline XBRL for the cover page of this Transition Report on Form 20-F (embedded within the Inline XBRL document)

* Filed with this transition report

** Furnished with this transition report

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this transition report on its behalf.

Baijiayun Group Ltd

By: /s/ Gangjiang Li
Name: Gangjiang Li
Title: Chief Executive Officer

Date: January 20, 2023

Table of Contents

BAIJIAYUN LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2022 AND 2021 AND FOR THE YEARS ENDED JUNE 30, 2022, 2021 AND 2020

BAIJIAYUN LIMITED

TABLE OF CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
BaiJiaYun Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of BaiJiaYun Limited and its subsidiaries (collectively, the "Company") as of June 30, 2022, and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders' deficit, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the Acquisition-date Fair Values of Intangible Assets Acquired, Non-controlling Interest, and Remeasurement of Previously Held Equity Interest

As described in Note 5 to the consolidated financial statements, on March 24, 2022, the Company acquired an additional 17.62% equity interest of Beijing Deran Technology Co., Ltd. ("Beijing Deran") for a purchase consideration of $830,324. Upon the acquisition, the Company increased its equity interest in Beijing Deran from 33.38% to 51% and accounted for it as a consolidated subsidiary of the Company. The determination of purchase price allocation involves the fair value of intangible assets of $1,507,775 recognized as a result of the acquisition, the non-controlling interest of $1,721,734 in Beijing Deran immediately after the acquisition, and the equity interest previously held by the Company in Beijing Deran of $996,954, which are estimated using the valuation technique under the income approach with the assistance of a specialist engaged by the Company. Management applied judgments in estimating these fair values, which involved the use of significant assumptions such as the discount rates and forecasted operating cash flows.

We identified the estimation of these acquisition-date fair values as a critical audit matter. A high degree of subjective auditor judgment was required in performing procedures and evaluating audit evidence relating to the valuation techniques and significant assumptions used by management in determining these fair values.

The primary procedures we performed to address this critical audit matter included the following:

- Read the executed purchase agreements;
- Obtained an understanding of the work of the Company's specialist and the management's process and controls for estimating the fair value of intangible assets, non-controlling interest, and remeasurement of previously held equity interest;
- With the assistance of valuation professionals with specialized skills and knowledge, evaluated the appropriateness of the valuation methods and the reasonableness of significant assumptions used, such as discount rates and forecasted operating cash flows;
- Tested the completeness, accuracy and relevance of the underlying data used in the valuation models;
- Evaluated the adequacy of the Company's disclosures related to the business combination.

/s/ MaloneBailey, LLP
www.malonebailey.com
We have served as the Company's auditor since 2022.
Houston, Texas
January 20, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
BaiJiaYun Limited

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of BaiJiaYun Limited, its subsidiaries, its variable interest entity ("VIE") and its VIE's subsidiaries (collectively, the "Company") as of June 30, 2021 and the related consolidated statements of operations and comprehensive income, changes in shareholders' deficit, and cash flows each of the years in the two-year period ended June 30, 2021 and 2020, and the related notes (collectively referred to as the consolidated financial statements).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021, and the results of its operations and its cash flows each of the years in the two-year period ended June 30, 2021 and 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Friedman LLP

New York, New York

August 12, 2022

We have served as the Company's auditor from 2021 through 2022.

BAIJIAYUN LIMITED
CONSOLIDATED BALANCE SHEETS
(All amounts in US$, except for share and per share data)

	As of June 30,	
	2022	**2021**
ASSETS		
Current assets		
Cash and cash equivalents	$ 16,603,102	$ 48,295,085
Restricted cash	8,376,345	8,865,156
Short-term investments	7,854,809	7,787,897
Notes receivable	107,662	—
Accounts receivable, net	22,522,334	9,056,775
Accounts receivable – related party	95,549	—
Prepayments	4,008,193	967,366
Prepayments – related party	313,678	328,755
Inventories	1,831,918	568,641
Deferred contract costs	10,023,720	2,611,048
Due from related parties	89,578	563,797
Prepaid expenses and other current assets, net	3,105,435	2,094,712
Total current assets	**74,932,323**	**81,139,232**
Property and equipment, net	585,193	366,775
Intangible assets, net	3,345,419	553,924
Operating lease right of use assets	1,327,575	1,257,911
Deferred tax assets	2,193,792	176,437
Long-term deposits	—	243,400
Long-term investments	25,012,046	794,752
Goodwill	1,144,824	—
Other non-current assets	366,441	348,481
Total non-current assets	**33,975,290**	**3,741,680**
TOTAL ASSETS	**$ 108,907,613**	**$ 84,880,912**
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		
Current liabilities		
Deposit payable	$ —	$ 11,616,021
Short-term borrowing	149,296	—
Accounts and notes payable	23,280,345	8,356,031
Advance from customers	5,905,599	5,379,558
Advance from customers – related parties	268,905	1,706,224
Income tax payable	416,768	21,478
Deferred revenue	1,001,372	250,881
Deferred revenue – related party	63,911	180,779
Due to related parties	12,992,961	488,279
Operating lease liabilities, current	625,048	574,825
Accrued expenses and other liabilities	4,599,018	4,852,226
Total current liabilities	**49,303,223**	**33,426,302**
Deferred tax liabilities	209,612	—
Operating lease liabilities, noncurrent	551,221	628,046
Total Liabilities	**50,064,056**	**34,054,348**

(Continued)

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED
CONSOLIDATED BALANCE SHEETS
(All amounts in US$, except for share and per share data)

	As of June 30,	
	2022	**2021**
Commitments and contingencies		
Mezzanine equity (Aggregate liquidation preference of $57,496,986 and $45,689,681 as of June 30, 2022 and 2021, respectively)		
Series Seed convertible redeemable preferred shares (par value $0.0001 per share, 4,675,347 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	1,078,376	1,118,712
Series A convertible redeemable preferred shares (par value $0.0001 per share, 5,205,637 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	3,135,822	3,077,673
Series A-1 convertible redeemable preferred shares (par value $0.0001 per share, 5,202,768 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	6,591,553	6,500,169
Series A-2 convertible redeemable preferred shares (par value $0.0001 per share, 3,540,046 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	4,629,590	4,513,809
Series A-3 convertible redeemable preferred shares (par value $0.0001 per share, 3,789,358 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	4,843,169	4,714,561
Series B convertible redeemable preferred shares (par value $0.0001 per share, 11,047,269 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	23,676,836	23,075,583
Series B+ convertible redeemable preferred shares (par value $0.0001 per share, 5,424,746 shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	12,707,581	12,315,561
Series C convertible redeemable preferred shares (par value $0.0001 per share, 2,419,909 shares and nil shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	12,205,835	—
Total Mezzanine Equity	**68,868,762**	**55,316,068**
Shareholders' deficit		
Ordinary shares (par value $0.0001 per share, 458,694,920 shares authorized, 44,069,300 shares issued and outstanding as of June 30, 2022 and 2021, respectively)	4,407	4,407
Additional paid-in capital	5,656,757	—
Statutory reserve	919,407	17,758
Accumulated deficit	(18,411,335)	(4,694,698)
Accumulated other comprehensive loss	(275,752)	(66,799)
Total shareholders' deficit attributable to BaiJiaYun Limited	**(12,106,516)**	**(4,739,332)**
Non-controlling interests	2,081,311	249,828
Total shareholders' deficit	**(10,025,205)**	**(4,489,504)**
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT	**$ 108,907,613**	**$ 84,880,912**

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(All amounts in US$, except for share and per share data)

	For the Years Ended June 30,		
	2022	2021	2020
Revenues	$ 68,600,378	$ 41,449,420	$ 23,369,292
Cost of revenues	(50,168,530)	(22,921,696)	(10,054,871)
Gross profit	**18,431,848**	**18,527,724**	**13,314,421**
Operating expenses			
Selling and marketing expenses	(7,378,885)	(6,538,770)	(3,305,713)
General and administrative expenses	(14,781,053)	(3,745,914)	(3,723,095)
Research and development expenses	(13,048,191)	(5,806,402)	(3,660,973)
Total operating expenses	**(35,208,129)**	**(16,091,086)**	**(10,689,781)**
(Loss) income from operations	**(16,776,281)**	**2,436,638**	**2,624,640**
Interest income, net	51,291	315,764	7,267
Investment income	768,454	777,758	529,735
Gain (loss) from equity method investments	580,816	(4,320)	—
Other income, net	1,118,105	465,649	625,539
(Loss) Income Before Income Taxes	**(14,257,615)**	**3,991,489**	**3,787,181**
Income tax benefit/(expenses)	1,637,485	(342,156)	(91,991)
Net (Loss) Income	**(12,620,130)**	**3,649,333**	**3,695,190**
Less: Net income (loss) attributable to non-controlling interests	194,858	192,125	(178,313)
Net (Loss) Income attributable to BaiJiaYun Limited	**(12,814,988)**	**3,457,208**	**3,873,503**
Accretion of convertible redeemable preferred shares	(3,865,430)	(3,029,529)	(1,796,987)
Deemed dividends to convertible redeemable preferred shareholders	—	(2,084,786)	—
Net income attributable to BaiJiaYun Limited's preferred shareholders	—	—	(838,145)
Net (Loss) income attributable to BaiJiaYun Limited's ordinary shareholders	**$ (16,680,418)**	**$ (1,657,107)**	**$ 1,238,371**
Net (Loss) Income	$ **(12,620,130)**	**$ 3,649,333**	**$ 3,695,190**
Other comprehensive (Loss) Income			
Foreign currency translation adjustments	(294,062)	(334,189)	146,001
Comprehensive (Loss) Income	**(12,914,192)**	**3,315,144**	**3,841,191**
Less: Comprehensive income (loss) attributable to non-controlling interests	194,858	192,125	(178,313)
Comprehensive (loss) income available to BaiJiaYun Limited	**(13,109,050)**	**3,123,019**	**4,019,504**
Accretion of convertible redeemable preferred shares	(3,865,430)	(3,029,529)	(1,796,987)
Deemed dividends to convertible redeemable preferred shareholders	—	(2,084,786)	—
Net income attributable to BaiJiaYun Limited's preferred shareholders	—	—	(838,145)
Comprehensive (loss) income attributable to BaiJiaYun Limited's ordinary shareholders	**$ (16,974,480)**	**$ (1,991,296)**	**$ 1,384,372**
Weighted average number of ordinary shares outstanding used in computing (loss) earnings per share			
Basic and Diluted	**44,069,300**	**41,204,669**	**38,417,461**
(Loss) earnings per share			
Basic and Diluted	$ **(0.38)**	**$ (0.04)**	**$ 0.03**

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED JUNE 30, 2022, 2021 and 2020
(All amounts in US$, except for share and per share data)

	Ordinary Shares							
	Shares	Amount	Additional Paid-in Capital	Statutory Reserve	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Shareholders' Deficit
Balance as of July 1, 2019	**38,417,461**	**$ 3,842**	**$ —**	**$ 3,697**	**$ (5,847,156)**	**$ 121,389**	**$ —**	**$ (5,718,228)**
Capital injection from non- controlling shareholders	—	—	—	—	—	—	465,342	465,342
Net income (loss)	—	—	—	—	3,873,503	—	(178,313)	3,695,190
Appropriation of statutory reserve	—	—	—	14,061	(14,061)	—	—	—
Accretion of convertible redeemable preferred shares	—	—	—	—	(1,796,987)	—	—	(1,796,987)
Foreign currency translation adjustments	—	—	—	—	—	146,001	—	146,001
Balance as of June 30, 2020	**38,417,461**	**$ 3,842**	**$ —**	**$ 17,758**	**$ (3,784,701)**	**$ 267,390**	**$ 287,029**	**$ (3,208,682)**
Issuance of ordinary shares in exchange of acquisition of noncontrolling interests	4,024,415	402	532,208	—	—	—	(532,610)	—
Issuance of ordinary shares to employee share based payment platform	1,627,424	163	(163)	—	—	—	—	—
Contribution from a controlling shareholder for disposal of a subsidiary under common control	—	—	113,117	—	—	—	—	113,117
Capital injection from non- controlling shareholders	—	—	—	—	—	—	303,284	303,284
Net income	—	—	—	—	3,457,208	—	192,125	3,649,333
Accretion of convertible redeemable preferred shares	—	—	(747,110)	—	(2,282,419)	—	—	(3,029,529)
Deemed dividends to convertible redeemable preferred shareholders	—	—	—	—	(2,084,786)	—	—	(2,084,786)
Contribution from preferred shareholders in connection with modification	—	—	101,948	—	—	—	—	101,948
Foreign currency translation adjustments	—	—	—	—	—	(334,189)	—	(334,189)
Balance as of June 30, 2021	**44,069,300**	**$ 4,407**	**$ —**	**$ 17,758**	**$ (4,694,698)**	**$ (66,799)**	**$ 249,828**	**$ (4,489,504)**
Non-controlling interests arising from acquisition of subsidiary	—	—	—	—	—	—	1,721,734	**1,721,734**
Net income (loss)	—	—	—	—	(12,814,988)	—	194,858	**(12,620,130)**
Appropriation of statutory reserve	—	—	—	901,649	(901,649)	—	—	**—**
Share-based compensation	—	—	9,522,187	—	—	—	—	**9,522,187**
Accretion of convertible redeemable preferred shares	—	—	(3,865,430)	—	—	—	—	**(3,865,430)**
Foreign currency translation adjustments	—	—	—	—	—	(208,953)	**(85,109)**	**(294,062)**
Balance as of June 30, 2022	**44,069,300**	**$ 4,407**	**$ 5,656,757**	**$ 919,407**	**$ (18,411,335)**	**$ (275,752)**	**$ 2,081,311**	**$ (10,025,205)**

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in US$)

	For the Years Ended June 30,		
	2022	**2021**	**2020**
Cash Flows From Operating Activities:			
Net (loss) income	$ (12,620,130)	$ 3,649,333	$ 3,695,190
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expenses	346,817	127,987	67,767
Amortization of operating lease right of use assets	620,638	582,591	386,374
Provision for doubtful accounts	7,785,457	630,729	123,686
Deferred income tax expenses	(2,115,834)	325,281	65,871
Deemed dividends from disposal of a subsidiary	—	113,117	—
Investment income on short-term investments	(768,454)	(777,758)	(529,735)
Gain (loss) from equity method investments	(580,816)	4,320	—
Share-based compensation	9,522,187	—	—
Changes in operating assets and liabilities:			
Accounts receivable, net	(20,342,706)	(6,776,664)	(1,590,769)
Accounts receivable, net - related party	(99,142)	—	1,039,612
Notes receivable	(68,036)	—	—
Prepayments	(3,173,054)	(220,547)	(641,000)
Prepayments - related party	3,345	2,992	(304,720)
Inventories	(893,290)	1,129,854	(1,431,776)
Deferred contract costs	(7,789,043)	(2,460,723)	(80,123)
Due from related parties	230,847	(387,673)	302,522
Prepaid expenses and other current assets, net	(3,502,378)	(697,474)	227,015
Long-term deposits	243,445	(47,246)	(157,064)
Other non-current assets	(31,672)	—	—
Accounts and notes payable	15,761,060	6,657,056	895,977
Accounts and notes payable - related parties	—	—	(331,394)
Advance from customers	695,917	(935,942)	2,208,792
Advance from customers - related parties	(1,427,526)	1,656,824	(92,954)
Income tax payable	410,954	20,942	—
Deferred revenue	788,093	122,099	59,226
Deferred revenue - related party	(114,499)	169,264	(535,263)
Operating lease liabilities	(722,581)	(599,290)	(366,605)
Accrued expenses and other liabilities	18,179	2,540,968	1,315,468
Net cash provided by (used in) operating activities	**(17,822,222)**	**4,830,040**	**4,326,097**
Cash Flows From Investing Activities			
Acquisition of property, plant and equipment	(544,336)	(249,592)	(195,585)
Capitalization of software development cost	(1,467,219)	(540,080)	—
Acquisition of long-term investments	(25,938,275)	(740,702)	—
Purchases of short-term investments	(172,619,138)	(281,980,074)	(103,983,751)
Redemption of short-term investments	173,026,814	293,337,203	96,426,652
Business combinations, net of cash acquired	25,018	—	—
Net cash provided by (used in) investing activities	**(27,517,136)**	**9,826,755**	**(7,752,684)**

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in US$)

	For the Years Ended June 30,		
	2022	**2021**	**2020**
Cash Flows From Financing Activities:			
Deposits received from a Series C preferred shareholder	—	11,325,712	—
Return of deposits received from a Series C preferred shareholder	(11,820,145)	—	—
Payment of deferred offering costs	—	(97,501)	—
Contribution from the non-controlling shareholders	—	303,284	465,342
Proceeds from issuance of Series B and Series B+ convertible redeemable preferred shares	—	28,028,845	—
Issuance cost in connection with issuance of Series B and Series B+ convertible redeemable preferred shares	—	(303,402)	—
Proceeds from issuance of Series C convertible redeemable preferred shares	11,807,305	—	—
Loans from related parties	15,049,091	78,730	4,983
Repayment to a related party	(2,071,373)	—	—
Proceeds from short-term borrowing	154,909	—	—
Net cash provided by financing activities	**13,119,787**	**39,335,668**	**470,325**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	38,777	2,152,149	(105,673)
Net increase (decrease) in cash, cash equivalents and restricted cash	(32,180,794)	56,144,612	(3,061,935)
Cash, cash equivalents and restricted cash at beginning of the year	57,160,241	1,015,629	4,077,564
Cash, cash equivalents and restricted cash at end of the year	**$ 24,979,447**	**$ 57,160,241**	**$ 1,015,629**
Supplemental Cash Flow Information			
Cash paid for interest expense	$ 417,272	$ 78,252	$ —
Cash paid for income tax	$ 52,834	$ 812,026	$ 29,114
Non-cash Operating, Investing and Financing activities			
Operating lease right of use assets obtained in exchange for operating lease liabilities	$ 738,894	$ 952,961	$ 130,400
Remeasurement of operating lease liabilities and right of use assets due to lease modification	$ 1,086	$ —	$ —
Accretion of convertible redeemable preferred shares	$ 3,865,430	$ 3,029,529	$ 1,796,987
Receivables from related parties settled with payables to related parties	$ 240,109	$ —	$ —
Deemed dividends to convertible redeemable preferred shareholders	$ —	$ 2,084,786	$ —
Contribution from preferred shareholders in connection with modification of interest rate in the event of redemption	$ —	$ 101,948	$ —
Issuance of shares in exchange for acquisition of equity interest in controlling subsidiaries	$ —	$ 3,331,813	$ —
Investment in an equity investee through borrowing from a related party	$ —	$ 378,279	$ —

Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheets

	As of June 30,		
	2022	**2021**	**2020**
Cash and cash equivalents	$ 16,603,102	$ 48,295,085	$ 831,397
Restricted cash	8,376,345	8,865,156	184,232
Total cash, cash equivalents and restricted cash at end of the year	**$ 24,979,447**	**$ 57,160,241**	**$ 1,015,629**

The accompanying notes are an integral part of the consolidated financial statements.

BAIJIAYUN LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - NATURE OF THE ORGANIZATION AND BUSINESS

BaiJiaYun Limited (the "Company" or "BaiJiaYun") was incorporated on April 22, 2021, under the laws of the Cayman Islands as an exempted company with limited liability. The Company commenced operations on May 22, 2017, through its variable interest entity ("VIE"), BaiJiaYun Group Co., Ltd. (formerly known as "Beijing Baijia Shilian Technology Co., Ltd.") ("BaiJiaYun VIE"), a limited liability company established under the laws of the People's Republic of China ("PRC"), and the VIE's subsidiaries. The Company is a global cloud computing company focusing on SaaS/PaaS and Video AI areas and provides comprehensive video and audio solutions to customers in various industries, including education, finance, healthcare, and information technology for their development and innovation.

As of June 30, 2022, the Company's major subsidiaries, VIE and subsidiaries of the VIE are as follows:

Name of Entity	Date of Incorporation	Place of Incorporation	% of Ownership	Principal Activities
Parent company:				
BaiJiaYun Limited	April 22, 2021	Cayman Islands	Parent	Investment holding
Subsidiaries of BaiJiaYun				
BaiJia Cloud Limited ("BaiJiaYun HK")	May 6, 2021	Hong Kong	100	Investment holding
Beijing Baishilian Technology Co., Ltd. ("BaiJiaYun WFOE")	September 6, 2021	PRC	100	Investment holding
Shenzhen Baishilian Technology Co., Ltd. ("Shenzhen Baishilian")	October 27, 2021	PRC	100	Investment holding
Nanning Baishilian Information Technology Co., Ltd. ("Nanning Baishilian")	September 13, 2021	PRC	100	Investment holding
Nanjing Baishilian Technology Co., Ltd. ("Nanjing Baishilian")	January 21, 2022	PRC	100	Investment holding
VIE				
BaiJiaYun VIE	May 22, 2017	PRC	VIE	Provision of cloud computing services
VIE's Subsidiaries				
Wuhan Baijia Cloud Technology Co., Ltd. ("Wuhan BaiJiaYun") (2)	August 7, 2017	PRC	100% owned by VIE	Provision of cloud computing services
Nanjing Baijia Cloud Technology Co., Ltd. ("Nanjing BaiJiaYun")	June 13, 2018	PRC	100% owned by VIE	Provision of cloud computing services
Baijiayun Information Technology Co., Ltd. ("BaiJiaYun Information Technology")	June 18, 2019	PRC	51% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Guizhou Baijia Cloud Technology Co., Ltd. ("Guizhou BaiJiaYun")	April 8, 2019	PRC	100% owned by VIE	Provision of cloud computing services
Baijia Cloud Technology Co., Ltd. ("BaiJia Cloud Technology ")	October 12, 2019	PRC	70% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Beijing Baijiayun Digital Technology Co., Ltd. (formerly known as "Beijing Haoyu Xingchen Cultural Communication Co., Ltd.") ("Haoyu Xingchen")	June 23, 2020	PRC	100% owned by VIE	Provision of cloud computing services
Xi'an Baijiayun Information Technology Co., Ltd. ("Xi'an BaiJiaYun")	January 7, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Henan Baijia Cloud Information Technology Co., Ltd. ("Henan BaiJiaYun")	April 13, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Chengdu Digital Bird Technology Co., Ltd. ("Chengdu BaiJiaYun")	April 8, 2015	PRC	100% owned by VIE since August 3, 2020, and disposed of in June 2021	Provision of cloud computing services
Wuhan BaiJiaShiLian Technology Co., Ltd. ("Wuhan BaiJiaShiLian") (1)	December 12, 2018	PRC	100% owned by VIE since September 15, 2021	Provision of cloud computing services
Guangxi Weifang Technology Co., Ltd. ("Guangxi Weifang")	November 3, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Shanghai BaiJiaYun Technology Co., Ltd. ("Shanghai BaiJiaYun")	October 22, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Beijing Deran Technology Co., Ltd. ("Beijing Deran")	May 29, 2012	PRC	51% owned by VIE since March 24, 2022	Provision of cloud computing services

(1) The Company acquired Wuhan BaiJiaShiLian in September 2021. Wuhan BaiJiaShiLian did not commence any operation at the acquisition date and has immaterial net assets.

(2) The Company disposed of Wuhan BaiJiaYun in September 2022, see Note 20.

On September 7, 2021, BaiJiaYun WFOE entered into a series of agreements (the "VIE Agreements") with BaiJiaYun VIE and the shareholders of BaiJiaYun VIE. The VIE Agreements are designed to provide BaiJiaYun WFOE with the power, rights and obligations equivalent in all material respects to those it would possess as the sole equity holder of BaiJiaYun VIE, including absolute control rights and the rights to the management, operations, assets, property and revenue of BaiJiaYun VIE. The purpose of the VIE Agreements is solely to give BaiJiaYun WFOE the controlling financial interest over BaiJiaYun VIE's management and operations.

On September 7, 2021, BaiJiaYun completed a reorganization of entities under common control of its then existing shareholders, who collectively owned all of the equity interests of BaiJiaYun prior to the reorganization. BaiJiaYun and BaiJiaYun HK were established as the holding companies of BaiJiaYun WFOE. BaiJiaYun WFOE is the primary beneficiary of BaiJiaYun VIE and its subsidiaries, and all of these entities are under common control which results in the consolidation of BaiJiaYun VIE and its subsidiaries which have been accounted for as a reorganization of entities under common control at carrying value ("Reorganization"). The consolidated financial statements are prepared on the basis as if the reorganization became effective as of the beginning of the first period presented in the consolidated financial statements.

VIE Agreements with BaiJiaYun VIE

Foreign ownership of internet-based businesses, including distribution of online information (such as an online marketplace connecting customers and suppliers), is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in value-added telecommunications services (except for e-commerce) in accordance with the Special Management Measures (Negative List) for the Access of Foreign Investment, or the Negative List and other applicable laws and regulations. BaiJiaYun is a Cayman holding company of BaiJiaYun WFOE and is a foreign invested enterprise. To comply with these regulations, the Company conducts substantially all of its activities in PRC through BaiJiaYun VIE and its subsidiaries. As such, BaiJiaYun VIE and its subsidiaries are controlled through VIE Agreements in lieu of direct equity ownership by the Company.

The key terms of the VIE Agreements are as summarized below:

Shareholders' Power of Attorney

Pursuant to the shareholders' Power of Attorney entered into on September 7, 2021, by and among BaiJiaYun WFOE, BaiJiaYun VIE and the shareholders of BaiJiaYun VIE, each shareholder of BaiJiaYun VIE irrevocably authorized BaiJiaYun WFOE or any person(s) designated by BaiJiaYun WFOE to exercise such shareholder's rights in BaiJiaYun VIE, including without limitation, the power to participate in and vote at shareholder's meetings, the power to nominate and appoint the directors, senior management, the power to sell or transfer such shareholder's equity interest in BaiJiaYun VIE, and other shareholders' voting rights permitted by the Articles of Association of BaiJiaYun VIE. The shareholders' Power of Attorney remains irrevocable and continuously valid from the date of execution so long as each shareholder remains as a shareholder of BaiJiaYun VIE.

Equity Interest Pledge Agreement

Pursuant to the equity interest pledge agreement entered into on September 7, 2021, by and among BaiJiaYun WFOE, BaiJiaYun VIE and the shareholders of BaiJiaYun VIE, the shareholders of BaiJiaYun VIE pledged all of their equity interests in BaiJiaYun VIE to BaiJiaYun WFOE to guarantee their and BaiJiaYun VIE's obligations under the contractual arrangements including the exclusive business cooperation agreement, the exclusive option agreement and the shareholders' power of attorney and this equity interest pledge agreement, as well as any loss incurred due to events of default defined therein and all expenses incurred by BaiJiaYun WFOE in enforcing such obligations of BaiJiaYun VIE or its shareholders. In the event of default defined therein, upon written notice to the shareholders of BaiJiaYun VIE, BaiJiaYun WFOE, as pledgee, will have the right to dispose of the pledged equity interests in BaiJiaYun VIE and priority in receiving the proceeds from such disposition. The shareholders of BaiJiaYun VIE agree that, without BaiJiaYun WFOE's prior written approval, during the term of the equity pledge agreement, they will not dispose of the pledged equity interests or create or allow any other encumbrance on the pledged equity interests. The pledge shall become effective on such date when the pledge of the equity interest contemplated in the equity interest pledge agreement is registered appropriately, and the pledge shall remain effective until all contractual obligations have been fully performed and all secured indebtedness has been fully paid. The shareholders and BaiJiaYun VIE shall not have any right to terminate this agreement in any event unless otherwise required by PRC laws. BaiJiaYun has completed the registration of the equity pledges with the relevant office of Administration for Market Regulation in accordance with the PRC Property Rights Law.

Exclusive Business Cooperation Agreement

Under the exclusive business cooperation agreement between BaiJiaYun WFOE and BaiJiaYun VIE, dated September 7, 2021, BaiJiaYun WFOE has the exclusive right to provide to BaiJiaYun VIE technical support, consulting services and other services related to, among other things, design and development, operation maintenance, product consulting, and management and marketing consulting. BaiJiaYun WFOE has the exclusive ownership of intellectual property rights created as a result of the performance of this agreement. BaiJiaYun VIE agrees to pay BaiJiaYun WFOE service fees at an amount as determined by BaiJiaYun WFOE. This agreement will remain effective, and unless terminated in accordance with the provisions of this agreement or terminated in writing by BaiJiaYun WFOE. BaiJiaYun VIE shall not have any right to terminate this agreement in any event unless otherwise required by PRC laws. The exclusive business cooperation agreement took effective on September 7, 2021, and BaiJiaYun WFOE did not charge service fee to BaiJiaYun VIE for the years ended June 30, 2021 and 2020.

Exclusive Option Agreement

Pursuant to the exclusive option agreement entered into on September 7, 2021, by and among BaiJiaYun WFOE, BaiJiaYun VIE and each of the shareholders of BaiJiaYun VIE, each shareholder of BaiJiaYun VIE irrevocably granted BaiJiaYun WFOE an exclusive call option to purchase, or have its designated person(s) to purchase, at its discretion, all or part of their equity interests in BaiJiaYun VIE, and the purchase price shall be the lowest price permitted by applicable PRC law. Each of the shareholders of BaiJiaYun VIE and BaiJiaYun VIE undertake that, without the prior written consent of BaiJiaYun WFOE, they may not increase or decrease the registered capital or change its structure of registered capital, dispose of its assets or beneficial interest in the material business or allow the encumbrance thereon of any security interest, incur any debts or guarantee liabilities, enter into any material purchase agreements, enter into any merger, acquisition or investments, amend its articles of association, distribute dividends to any of the shareholders or provide any loans to third parties. The exclusive option agreement will remain effective until all equity interests in BaiJiaYun VIE held by the shareholders of BaiJiaYun VIE are transferred or assigned to BaiJiaYun WFOE or its designated person(s). The shareholders and BaiJiaYun VIE shall not have any rights to terminate this agreement in any event unless otherwise required by PRC laws.

The Company believes that BaiJiaYun VIE is considered a VIE under Accounting Codification Standards ("ASC") 810, "Consolidation", because the equity investors in BaiJiaYun VIE no longer have the characteristics of a controlling financial interest, and the Company, through BaiJiaYun WFOE, is the primary beneficiary of BaiJiaYun VIE and controls BaiJiaYun VIE's operations. Accordingly, BaiJiaYun VIE has been consolidated as a deemed subsidiary into the Company as a reporting company under ASC 810.

As required by ASC 810-10, the Company performs a qualitative assessment to determine whether the Company is the primary beneficiary of BaiJiaYun VIE, which is identified as a VIE of the Company. A quality assessment begins with an understanding of the nature of the risks in the entity as well as the nature of the entity's activities including terms of the contracts entered into by the entity, ownership interests issued by the entity and the parties involved in the design of the entity. The Company's assessment of the involvement with BaiJiaYun VIE reveals that the Company has the absolute power to direct the most significant activities that impact the economic performance of BaiJiaYun VIE. BaiJiaYun WFOE is obligated to absorb a majority of the loss from BaiJiaYun VIE activities and receive a majority of BaiJiaYun VIE's expected residual returns. In addition, BaiJiaYun VIE's shareholders have pledged their equity interest in BaiJiaYun VIE to BaiJiaYun WFOE, irrevocably granted BaiJiaYun WFOE an exclusive option to purchase, to the extent permitted under PRC Law, all or part of the equity interests in BaiJiaYun VIE and agreed to entrust all the rights to exercise their voting power to the person(s) appointed by BaiJiaYun WFOE. Under the accounting guidance, the Company is deemed to be the primary beneficiary of BaiJiaYun VIE and the financial positions, operating results and cash flows of BaiJiaYun VIE and BaiJiaYun VIE's subsidiaries are consolidated in the Company for financial reporting purposes.

Additionally, pursuant to ASC 805, "Business Combinations", as BaiJiaYun and BaiJiaYun VIE are under common control, the Reorganization was accounted for in a manner similar to a pooling of interests. As a result, the Company's historical amounts in the accompanying consolidated financial statements give retrospective effect to the Reorganization, whereby the assets and liabilities of the BaiJiaYun VIE and its subsidiaries are reflected at the historical carrying values and their operations are presented as if the Reorganization had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements.

The following amounts and balances of BaiJiaYun VIE and its subsidiaries were included in the Company's consolidated financial statements after the elimination of intercompany balances and transactions as of June 30, 2022 and for the year then ended:

	As of June 30, 2022
ASSETS	
Current Assets	
Cash and cash equivalents	$ 9,765,574
Restricted cash	8,376,345
Short-term investments	7,775,682
Notes receivable	107,662
Accounts receivable, net	22,522,334
Accounts receivable - related party	95,549
Prepayments	1,604,496
Prepayments - related party	313,678
Inventories	1,831,796
Deferred contract costs	9,555,837
Due from related parties	89,578
Prepaid expenses and other current assets, net	2,467,269
Total Current Assets	**64,505,800**
Property and equipment, net	529,988
Intangible assets, net	3,345,419
Operating lease right of use assets	753,686
Deferred tax assets	2,193,792
Long-term deposits	—
Long-term investments	25,012,046
Goodwill	1,144,824
Other non-current assets	366,441
Total Non-Current Assets	**33,346,196**
Total Assets	**$ 97,851,996**
LIABILITIES	
Current Liabilities	
Deposit payable	$ —
Short-term borrowing	149,296
Accounts and notes payable	21,898,915
Advance from customers	5,905,599
Advance from customers - related parties	268,905
Income tax payable	3,716
Deferred revenue	1,001,372
Deferred revenue - related party	63,911
Due to related parties	1,492,961
Operating lease liabilities, current	328,066
Accrued expenses and other liabilities	4,473,825
Total Current Liabilities	**35,586,566**
Deferred tax liabilities	209,612
Operating lease liabilities, noncurrent	354,051
Total Liabilities	**$ 36,150,229**

	For the year Ended June 30, 2022
Revenues	$ 68,600,378
Cost of revenues	$ (50,047,764)
Total operating expenses	$ (35,067,782)
Net loss	$ (12,271,120)
Net cash used in operating activities	$ (15,304,581)
Net cash used in investing activities	$ (27,372,316)
Net cash used in financing activities	$ (10,014,503)

The Company's business has been directly operated by the BaiJiaYun VIE and BaiJiaYun VIE's subsidiaries. As of June 30, 2021 and 2020, BaiJiaYun VIE and BaiJiaYun VIE's subsidiaries accounted for 100% of the Company's consolidated total assets and consolidated total liabilities. For the years ended June 30, 2021 and 2020, the BaiJiaYun VIE and BaiJiaYun VIE's subsidiaries accounted for 100% of the Company's consolidated revenues, net income, and cash flows.

There are no consolidated VIE's assets that are collateral for the VIE's obligations and can only be used to settle the VIE's obligations other than the right of use assets. No creditors (or beneficial interest holders) of the VIE have recourse to the general credit of BaiJiaYun or any of its consolidated subsidiaries.

No terms in any arrangements, considering both explicit arrangements and implicit variable interests, require BaiJiaYun or its subsidiaries to provide financial support to the VIE. However, if the VIE ever needs financial support, BaiJiaYun or its subsidiaries may, at its option and subject to statutory limits and restrictions, provide financial support to the VIE through loans to the shareholders of the VIE or entrustment loans to the VIE.

Risks in relation to the VIE structure

It is possible that the Company's operations of certain of its businesses through the VIE could be found by the PRC authorities to be in violation of the PRC laws and regulations prohibiting or restricting foreign ownership of companies that engage in such operations and businesses. The National People's Congress approved the Foreign Investment Law on March 15, 2019, and the State Council approved the Regulation on Implementing the Foreign Investment Law (the "Implementation Regulations") on December 12, 2019, effective from January 1, 2020. The Supreme People's Court of China issued a judicial interpretation on the Foreign Investment Law on December 27, 2019, effective from January 1, 2020. The Foreign Investment Law and the Implementation Regulations do not touch upon the relevant concepts and regulatory regimes that were historically suggested for the regulation of VIE structures, and thus this regulatory topic remains unclear under the Foreign Investment Law. Since the Foreign Investment Law and the Implementation Regulations are new, substantial uncertainties exist with respect to its implementation and interpretation and it is also possible that variable interest entities will be deemed as foreign invested enterprises and be subject to restrictions in the future. Such restrictions may cause interruptions to the Company's operations, products and services and may incur additional compliance cost, which may in turn materially and adversely affect the Company's business, financial condition, and results of operations.

In addition, if the legal structure and contractual arrangements were found to be in violation of any other existing PRC laws and regulations, the PRC government could:

- revoke the Company's business and operating licenses;
- require the Company to discontinue or restrict operations;
- restrict the Company's right to collect revenues;
- block the Company's platforms;
- require the Company to restructure the operations in such a way as to compel the Company to establish a new enterprise, re-apply for the necessary licenses or relocate its businesses, staff and assets;

- impose additional conditions or requirements with which the Company may not be able to comply; or
- take other regulatory or enforcement actions against the Company that could be harmful to the Company's businesses.

The Company's ability to conduct its business may be negatively affected if the PRC government were to carry out any of the aforementioned actions. As a result, the Company may not be able to consolidate VIE and VIE's subsidiaries in the consolidated financial statements as the Company may lose the ability to exert effective control over VIE and VIE's shareholders, and the Company may lose the ability to receive economic benefits from the VIE.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and consolidated VIE and its subsidiaries for which the Company is the primary beneficiary. The results of the subsidiaries are consolidated from the date on which the Company obtained control and continues to be consolidated until the date that such control ceases. A controlling financial interest is typically determined when a company holds a majority of the voting equity interest in an entity. However, if the Company demonstrates its ability to exercise the absolute power to direct the activities which most significantly impact VIE's economic performance and is obligated to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, then the entity is consolidated.

All transactions and balances among the Company's subsidiaries, including the VIE and VIE's subsidiaries, have been eliminated upon consolidation.

Business combinations

The Company accounts for its business combinations using the acquisition method of accounting. The purchase price of the acquisition is allocated to the assets, including separately identifiable assets and liabilities the Company acquired and non-controlling interests, if any, based on their estimated fair values as of the acquisition date. The excess of the purchase price over those fair values is recorded as goodwill. Acquisition-related expenses are expensed as incurred.

Consideration transferred in a business combination is measured at the fair value as of the date of acquisition. Where the consideration in an acquisition includes contingent consideration, and the payment of which depends on the achievement of certain specified conditions post-acquisition, the contingent consideration is recognized and measured at its fair value at the acquisition date and is recorded as a liability. It is subsequently carried at fair value with changes in fair value reflected in earnings.

In a business combination achieved in stages, the Company remeasures the previously held equity interest in the acquiree immediately before obtaining control at its acquisition-date fair value and the remeasurement gain or loss, if any, is recognized in the consolidated statements of operations and comprehensive income (loss).

Non-controlling Interests

Non-controlling interests represent the equity interests in the subsidiaries of the VIE that are not attributable, either directly or indirectly, to the VIE. For the Company's consolidated financial statements, non-controlling interests represent minority shareholders' 49% equity interests in Henan BaiJiaYun, Xi'an BaiJiaYun and Beijing Deran as of June 30, 2022, and minority shareholders' 49% equity interests in Henan BaiJiaYun and Xi'an BaiJiaYun as of June 30, 2021.

Non-controlling interests are presented as a separate line item in the equity section of the Company's consolidated balance sheets and have been separately disclosed in the Company's consolidated statements of operations and comprehensive income (loss) to distinguish the interests from that of the Company.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities on the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions using the currently available information. Changes in facts and circumstances may cause the Company to revise its estimates. The Company bases its estimates on past experience and on various other assumptions that are believed to be reasonable and the results of these estimates form the basis for making judgments about the carrying values of assets and liabilities. Estimates are used when accounting for items and matters including, but not limited to, determinations of the selling price of products and services in multiple performance obligation revenue arrangements, determinations of the useful lives of long-lived assets, estimates of allowances for doubtful accounts for accounts receivable and other receivables, estimates for inventory and deferred contract cost provisions, valuation allowance for deferred tax assets, share-based compensation, impairment of long-lived assets, long-term investments and goodwill, the purchase price allocation relating to business acquisitions, the fair value of ordinary shares and redeemable convertible preferred shares.

The coronavirus ("COVID-19") pandemic has created, and may continue to create, significant uncertainty in macroeconomic conditions, and the extent of its impact on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on our customers and our sales cycles. During the years ended
June 30, 2022, 2021 and 2020, our estimates and assumptions required increased judgment and carried a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods.

Cash and Cash Equivalents, and Restricted Cash

Cash and cash equivalents consist of bank deposits, as well as highly liquid investments with original maturities less than three months, which are unrestricted as to withdrawal or use. The Company maintains most of the bank accounts in the PRC. Cash balances in bank accounts in PRC are not insured by the Federal Deposit Insurance Corporation or other programs.

Restricted cash consists of bank deposits collateralized to banks for issuance of promissory notes and the start-up support funds supervised by government that were exclusively used for high-level entrepreneurial talents.

Short-term Investments

Short-term investments consist of wealth management products issued by certain banks or financial institutions with variable interest rates, which are callable on demand or redeemable by the Company at a periodic term within three months. In accordance with ASC 825, "Financial Instruments", for financial products with variable interest rates referenced to performance of underlying assets, the Company elected the fair value method at the date of initial recognition and carries these investments at fair value with fair value change gains or losses recorded in the investment income in the consolidated statements of operations and comprehensive income (loss). As a practical expedient, the Company uses the net asset value ("NAV") or its equivalent to measure the fair value of the wealth management products. NAV is primarily determined based on information provided by these banks or financial institutions. As of June 30, 2022 and 2021, the Company had short-term investments of $7,854,809 and $7,787,897, respectively, including gross unrealized gains of $28,239 and $43,883, respectively.

Accounts Receivable, Net

Accounts receivable are recorded at the gross billing amount less an allowance for any uncollectible accounts due from the customers. Accounts receivable do not bear interest. The Company records impairment losses for accounts receivable based on assessments of the recoverability of the accounts receivable and individual account analysis, including the current creditworthiness and the past collection history of each customer and current economic industry trends. Impairments arise when there is objective evidence indicating that the balances may not be collectible. The identification of bad and doubtful debts, in particular of a loss event, requires the use of judgment and estimates, which involve the estimates of specific losses on individual exposures, as well as a provision on historical trends of collections. Based on analysis of customers' credit and ongoing relationship, management makes conclusions about whether any balances outstanding at the end of the period will be deemed non-collectible on an individual basis and on aging analysis basis. The provision is recorded against accounts receivables balances, with a corresponding charge recorded in the consolidated statements of operations and comprehensive income (loss). Delinquent account balances are written off against the allowance for doubtful accounts after management has determined that the likelihood of collection is not probable.

Inventories

Inventories, primarily consisting of finished goods, which also include goods in transit, are stated at the lower of cost or net realizable value. Cost of inventories is determined using the first-in, first-out ("FIFO") method and includes all costs to acquire and other costs to bring the inventories to their present location and condition.

Inventories are written down to estimated net realizable value, which could be impacted by certain factors including historical usage, expected demand, anticipated sales price, new product development schedules, product obsolescence, and other factors. The Company continuously evaluates the recoverability of the Company's inventories, and inventory provisions are recorded in the consolidated statements of operations and comprehensive income (loss). The Company did not record write-down of potentially obsolete or slow-moving inventories or lower of cost or market adjustment for the years ended June 30, 2022, 2021 and 2020.

Prepaid Expenses and Other Current Assets, Net

Prepaid expenses and other current assets primarily include other receivables, VAT recoverable and income tax recoverable. The Company records impairment losses for other receivables based on assessments of the recoverability of the receivables. The provision is recorded against the receivable balance with a corresponding charge recorded in the consolidated statements of operations and comprehensive income (loss).

Provisions for doubtful accounts of other receivables were $1,712,524, $29,380 and $(8,601) for the years ended June 30, 2022, 2021 and 2020, respectively. The provision made in the year ended June 30, 2022 was mainly associated with a receivable arising from the redemption of a pre-matured investment of 4.95% equity interest in a privately held entity for a cash consideration of $1,494,994 (RMB 9,900,000). The Company did not receive the proceeds in time and filed a lawsuit against the investee and fully reserved the receivable based on the assessment on its collectability in the foreseeable future.

Long-term Investments

Long-term investments consist of the following types of investments.

Equity investment accounted for using the equity method

In accordance with ASC 323, "Investments – Equity Method and Joint Ventures", the Company accounts for the investment using the equity method, because the Company has significant influence but does not own a majority equity interest or otherwise control over the equity investee.

Under the equity method, the Company initially records its investment at cost. The Company subsequently adjusts the carrying amount of the investment to recognize the Company's proportionate share of the equity method investee's net income or loss into earnings after the date of investment. When the Company's share of losses in the equity investee equals or exceeds its interest in the equity investee, the Company does not recognize further losses, unless the Company has incurred obligations or made payments or guarantees on behalf of the equity investee.

The Company continuously reviews its investment in the equity investee to determine whether a decline in fair value below the carrying value is other-than-temporary. The primary factors the Company considers in its determination include the financial condition, operating performance and the prospects of the equity investee; other company-specific information such as recent financing rounds; the geographic region, market and industry in which the equity investee operates; and the length of time that the fair value of the investment is below the carrying value and the Company's intent and ability to retain the investment until the recovery of its cost. If the decline in fair value is deemed to be other-than-temporary, the carrying value of the equity investee is written down to fair value.

Equity investment without readily determinable fair value measured at Measurement Alternative

The Company elects to record equity investments in a privately held company without readily determinable fair value, over which the Company does not have control or exercise significant influence, using the measurement alternative at cost, less impairment, with subsequent adjustments for observable price changes, in accordance with ASC 321, "Investments – Equity Securities". Under this measurement alternative, changes in the carrying value of the equity investments are required to be made whenever there are observable price changes in orderly transactions for identical or similar investments of the same issuer.

Equity investment in a privately held company accounted for using the measurement alternative is subject to periodic impairment reviews. The Company's impairment analysis considers both qualitative and quantitative factors that may have a significant effect on the fair value of these equity securities, including consideration of the impact of the COVID-19 pandemic.

As of June 30, 2022 and 2021, the Company did not record any impairment loss against the long-term investments.

Property and Equipment, Net

Property and equipment primarily consist of electronic equipment and leasehold improvements and are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided using the straight-line method based on the estimated useful life of 3 to 5 years.

Expenditures for repairs and maintenance, which do not materially extend the useful lives of the assets, are expensed as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized.

Intangible Assets, Net

Intangible assets mainly include capitalized software development costs and certain intangible assets arising from business combination. The Company capitalizes certain software development costs related to the internally used unified communications platform during the application development stage. The costs related to preliminary project activities and post-implementation activities are expensed as incurred. As of June 30, 2022, the platform was not ready for its intended use. Its estimated useful life will be determined and periodically reassessed based on considerations for obsolescence, technology, competition, and other economic factors.

Acquired intangible assets from business combination are recognized and measured at fair value at the time of acquisition. Amortization methods and estimated useful lives of the respective assets are set out as follows:

Category	Amortization Method	Estimated Useful Life
Capitalized software development costs	N/A	**N/A**
Intangible assets arising from business combination		
Distribution channel	Accelerated method	10 years
Technology	Straight-line method	10 years
Other	Straight-line method	5 years

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired in the business combination.

In accordance with ASC 350, "Intangibles – Goodwill and Others", goodwill is subject to at least an annual assessment for impairment or more frequently if events or changes in circumstances indicate that an impairment may exist, applying a fair-value based test.

When performing the annual impairment test, the Company has the option of performing a qualitative or quantitative assessment to determine if an impairment has occurred. If a qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company would be required to perform a quantitative impairment analysis for goodwill. The quantitative analysis requires a comparison of fair value of the reporting unit to its carrying value, including goodwill. If the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. The fair value is generally determined using the income approach. No impairment charge was recognized for the year ended June 30, 2022.

Impairment of Long-lived Assets Other Than Goodwill

Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable or that the useful life is shorter than the Company had originally estimated.

When these events occur, the Company evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Company recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment charge was recognized for the years ended June 30, 2022, 2021 and 2020.

Deferred Offering Costs

Deferred offering costs consist of underwriting, legal, accounting and other expenses incurred through the reporting date that are directly related to an anticipated offering and that will be charged as a reduction against additional paid-in capital upon the completion of the offering. Should the offering prove to be unsuccessful, these deferred costs, as well as additional expenses to be incurred, will be charged to operations. As of June 30, 2022 and 2021, deferred offering costs of $100,000 were included in the prepaid expenses and other current assets in the consolidated balance sheets.

Operating Leases

The Company leases its offices that are classified as operating leases in accordance with ASC 842, "Leases". Operating leases are required to be recorded in the balance sheet as right of use assets and lease liabilities, initially measured at the present value of the lease payments. The Company elected the short-term lease exemption for those lease terms that are 12 months or less. The Company recognizes lease expenses for such leases on a straight-line basis over the lease term.

The Company determines whether a contract is or contains a lease at the inception of the contract and whether that lease meets the classification criteria of a finance or operating lease. At the commencement date, the Company recognizes the lease liability at the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate for the same term as the underlying lease.

The right of use asset is recognized initially at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, consisting mainly of brokerage commissions, less any lease incentives received. When a lease is terminated, the right of use asset and operating lease liability associated with the lease are derecognized and any difference between the carrying amounts of the right of use asset and the lease liability is recognized in earnings as a gain or loss. All right of use assets are reviewed for impairment. There was no impairment for right-of-use lease assets for the years ended June 30, 2022, 2021 and 2020.

Notes Payable

Notes payable, included in accounts and notes payable in the consolidated balance sheets, represents bank and commercial acceptance notes issued by the Company to its vendors in the normal course of business. Bank and commercial acceptance notes do not bear interest. As of June 30, 2022 and 2021, the Company pledged cash in the amount of $8,376,345 and $6,809,224, respectively, to the endorsing banks to issue bank and commercial acceptance notes.

Holders of the acceptance notes are allowed to cash the acceptance notes before the stated maturity, in which case the bank will charge the Company a fee regarding the early cashout. The fee is calculated based on the interest rate on a given day. The effective annual interest rate used to calculate the early cashout fee is around 2% and 2.9% for the years ended June 30, 2022 and 2021, respectively. There was no notes payable issued by the company for the year ended June 30, 2020. The early cashout fee, if any, is included in interest income, net, in the consolidated statements of operations and comprehensive income (loss).

Revenue Recognition

The Company accounts for its revenue according to ASC 606, "Revenue from Contracts with Customers", pursuant to which, revenue is recognized when the control of the promised goods or services is transferred to the customers, and the performance obligations under the contract have been satisfied, in an amount that reflects the consideration expected to be entitled to in exchange for those goods or services (excluding value-added taxes collected on behalf of government authorities). The Company's revenue contracts generally do not include a right of return in relation to the delivered products or services.

The Company determines revenue recognition through the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company primarily generated revenues from contracts with customers through the following arrangements:

SaaS/PaaS services

The SaaS/PaaS services were comprised of real-time engagement services and SMS services.

Real-time engagement services

The Company provides customers with SaaS/PaaS related services which are real-time engagement services for customers accessing the Company's enterprise cloud computing platform. The usage-based fees are earned from customers, and the unit price for each use is fixed in the contracts. The performance obligation associated with the platform access is a series of distinct services that have the same pattern of transfer, and the usage-based fees are recognized as revenue in the period in which the usage occurs.

Certain SaaS/PaaS related service contracts provide both hardware and real-time engagement services for a predetermined period of time regardless of usage consumed during the period. The transaction price is allocated between the hardware and services to reflect their standalone selling prices which are observable in the Company's operations.

The Company identifies two performance obligations in such SaaS/PaaS service contracts, as the customers can benefit from services and hardware separately. The performance obligation associated with the real-time engagement service is satisfied on a time elapse basis over the predetermined period, and the performance obligation associated with the hardware is satisfied at the point of acceptance by the customers.

SMS services

The Company offers customers with a customer engagement platform with software designed to address specific use cases and a set of Application Programming Interfaces ("API") to send and receive short messages. It uses intelligent sending features to ensure messages reliably reach end users wherever they are. The customers build use cases, such as appointment reminders, delivery notifications, order confirmations and many two-way and conversational use cases. The usage-based fees are earned from customers, and the unit price for each short message is fixed in the contracts. The performance obligation associated with the platform-assisted message distribution is a series of distinct services that have the same pattern of transfer, and the usage-based fees are recognized as revenue in the period in which the usage occurs.

Cloud related services

The cloud related services were comprised of customized platform development services and sale of software license and other cloud related services.

Customized platform development services

The Company provides customized platform development services to customers who aim to create a system that is integrated and large in nature. In this arrangement, the Company develops certain modules, which, once developed, together with other modules from other vendors, will be integrated into the customer's system. The module is not functional and does not benefit the customer on its own. The module is highly customized and developed specifically for the customer's needs. The Company does not provide any technical support service for such module and has no further obligation once the module is accepted. The Company recognizes revenue from customized platform development services at the point of customer acceptance.

Software license and other cloud related service

The Company provides software licenses for customers to be used for online schools or corporation training sessions. The software licenses are created based on an existing software framework with certain customization or design to meet the needs of different customers. Each developed software is functional on a standalone basis without any further upgrade or support and is regarded as a functional intellectual property. The control of the software license is transferred to the customer and the Company does not retain the right to limit the use of the software once transferred. The Company recognizes revenue of software license at the point of customer acceptance.

In certain contracts, the Company provides technical support service to the customer subsequent to the transfer of software license for a period of time, typically 12 months from customer acceptance. The transaction price is fixed in the contract and the Company allocates the transaction price to software license and technical support service by reference to their relative standalone selling price estimated using a residual approach. The Company recognizes revenue of technical support service over the service period.

In addition, the Company started to provide other software related services to customers, including design of online advertising videos and operation of online accounts in popular apps, during the year ended June 30, 2021. For the years ended June 30, 2022 and 2021, the revenue generated from these services was immaterial.

AI Solution services

The Company's AI solution services pertain to arrangements with customers where the Company purchases or customizes a software development kit based on the customer's specific requirements, integrated it into a hardware, and sells hardware to the customer. AI solution services are considered as a single performance obligation, as the individual components of the software and hardware are not sold on a standalone basis and are not separated in the context of the contracts. Transaction price is fixed in the contracts. The Company recognizes revenues at the point of customer acceptance of the hardware. The AI solution services contract also provides standard warranty to the customers for a period of 12 months. The Company historically incurred little cost on the warranty and did not accrue warranty liabilities for these AI solution services.

Contract balances

The Company classifies its right to consideration in exchange for services transferred to a customer as either a receivable or a contract asset. A receivable is a right to consideration that is unconditional as compared to a contract asset which is a right to consideration that is conditional upon factors other than the passage of time. The Company recognizes accounts receivable in its consolidated balance sheets when it performs a service in advance of receiving consideration and has the unconditional right to receive consideration. A contract asset is recorded when the Company has transferred services to the customer before payment is received or is due, and the Company's right to consideration is conditional on future performance or other factors in the contract. As of June 30, 2022 and 2021, the Company had no contract assets.

The Company capitalizes incremental costs incurred to fulfill contracts that (i) relate directly to the contract, (ii) are expected to generate resources that will be used to satisfy the performance obligation under the contract, and (iii) are expected to be recovered through revenue generated under the contract. The compensation expenses of workforce hired solely for the purpose of providing certain cloud related services are considered incremental costs to fulfill the contracts. These contract costs are recorded as cost of revenue upon the recognition of the related revenue. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. As of June 30, 2022 and 2021, the Company had deferred contract costs in the amount of $10,023,720 and $2,611,048, respectively. The amount of deferred contract costs charged to cost of revenues was $2,611,048, $79,736 and $nil, respectively, for the years ended June 30, 2022, 2021 and 2020. As of June 30, 2022 and 2021, no impairment allowance was recorded.

Contract liabilities are recognized if the Company receives consideration prior to satisfying the performance obligations, which include customer advances and deferred revenue, including the balances with related parties. Deferred revenue balance represents amount the Company has received from its customers from contracts primarily related to the real-time engagement services to be provided for a predetermined period of time under the SaaS/PaaS service arrangement, and the technical support service related to the software license product sales under the cloud related product and service arrangement. The consideration received from customers related to the remaining arrangements are included in advance from customer balance.

Customer advances of $3,292,117, $5,557,572 and $3,722,717 as of June 30, 2021, 2020 and 2019 were recognized as revenues in the years ended June 30, 2022, 2021 and 2020, respectively. Deferred revenue of $269,787, $121,388 and $612,467 as of June 30, 2021, 2020 and 2019, respectively, were recognized as revenues in the years ended June 30, 2022, 2021 and 2020, respectively.

Practical expedients

Payment terms and conditions vary by contract type; however, the Company's terms include a requirement of payment, which is generally within a year if not paid in advance. The Company has elected the practical expedient to not assess whether a significant financing component exists if the period between when transfer a promised good or service to a customer and when the customer pays for that good or service is one year or less.

Additionally, the Company has applied the practical expedient to not capitalize incremental costs of obtaining a contract if the amortization would be less than 12 months.

Disaggregation of revenue

For the years ended June 30, 2022, 2021 and 2020, all of the Company's revenue was generated in the PRC and contributed by the VIE and VIE's subsidiaries. The Company disaggregates revenue into three revenue streams, consisting of SaaS/PaaS services, cloud related services and AI solution services, as follows:

	For the Years Ended June 30,		
	2022	2021	2020
SaaS/PaaS services:			
Real-time engagement services	$ 14,841,071	$ 15,344,241	$ 21,387,895
SMS services	16,429,769	5,959,759	—
Subtotal	31,270,840	21,304,000	21,387,895
Cloud related services			
Customized platform development services	10,284,571	—	—
Software license and other cloud related services	1,912,252	2,657,900	1,143,360
Subtotal	12,196,823	2,657,900	1,143,360
AI solution services	25,132,715	17,487,520	838,037
Total revenues	$ 68,600,378	$ 41,449,420	$ 23,369,292

The Company disaggregates revenue by transferal of products/services as follows:

	For the Years Ended June 30,		
	2022	2021	2020
Services transferred over time	$ 27,955,419	$ 18,217,045	$ 20,303,971
Services transferred at a point in time	11,956,134	2,387,548	1,050,535
Goods transferred at a point in time	28,688,825	20,844,827	2,014,786
Total revenues	$ 68,600,378	$ 41,449,420	$ 23,369,292

Cost of Revenues

Cost of revenues consists primarily of cost of hosting services purchased from data center operator, costs of business channels purchased from major mobile operating companies in the PRC, personal costs for system maintenance and hardware and software products purchased for certain projects, such as AI solution service projects. These costs are charged to the consolidated statements of operations and comprehensive income (loss) as incurred.

Value-added Taxes

Revenue is recognized net of value-added taxes ("VAT"). The VAT is based on the gross sales price. Entities that are VAT general taxpayers are allowed to offset qualified input VAT paid to suppliers against their output VAT liabilities. Net VAT balance between input VAT and output VAT is recorded as VAT payable if output VAT is larger than input VAT and is included in prepaid expenses and other current assets if input VAT is larger than output VAT. All of the VAT returns filed by the Company's subsidiaries, VIE and the VIE's subsidiaries incorporated in the PRC, have been and remain subject to examination by the tax authorities.

Income Taxes

The Company accounts for deferred taxes in accordance with ASC 740, "Income Taxes", based on the laws of the relevant tax authorities. The charge for taxation is based on the results for the fiscal year as adjusted for items, which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Provision for income taxes consists of taxes currently due plus deferred taxes.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis. In principle, deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

An uncertain tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred.

Share-based Compensation

The Company has granted share-based awards in the form of share options and restricted stock units ("RSU") to eligible employees and officers. These share-based awards are accounted for in accordance with ASC 718, "Compensation – Stock-based Compensation". Share-based awards granted to employees and officers are measured at the grant date fair value of the awards and recognized as expenses over the vesting period, which is generally the requisite service period as required by the option agreement. For graded vesting awards with only service condition, the Company recognizes compensation cost on a straight-line basis over the requisite service period for the entire award, provided that the cumulative amount of compensation cost recognized at any date at least equals the portion of the grant-date value of such award that is vested at that date. When no future services are required to be performed by the employee in exchange for an award of equity instruments and if such award does not contain a performance or market condition, the cost of the award is expensed on the grant date. The Company elects to recognize forfeitures when they occur. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards is reversed.

Advertising Expenses

The Company expenses advertising costs as they incurred. Total advertising expenses of $697,827, $1,989,407, and $405,126 for the years ended June 30, 2022, 2021 and 2020, respectively, were included in selling and marketing expenses.

Research and Development Expenses

Research and development expenses consist primarily of employee wages and benefits, including stock-based compensation expense, for research and development personnel. Research and development costs are expensed as incurred in accordance with ASC 730, "Research and Development".

Government Grant

Government grant is recognized when there is reasonable assurance that the Company will comply with the conditions attach to it and the grant will be received. Government grant for the purpose of giving immediate financial support to the Company with no future related costs or obligation is recognized when received. Government grant with certain operating conditions is recorded as liability when received and will be recognized in earnings when the conditions are met. For the years ended June 30, 2022, 2021 and 2020, the Company recognized government grant of $191,163, $541,136 and $745,296, respectively, in other income, net in the consolidated statements of operations and comprehensive income (loss). There was no government grant deferred and included in liabilities as of June 30, 2022 and 2021.

Related Party Transaction

The Company identifies related parties, and accounts for, discloses related party transactions in accordance with ASC 850, "Related Party Disclosures".

Parties, which can be an entity or individual, are considered to be related if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operational decisions. Entities are also considered to be related if they are subject to common control or common significant influence.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Foreign Currency Translation and Transaction

The Company uses U.S. dollars ("US$") as its reporting currency. The functional currency of the Company and its subsidiaries incorporated outside of PRC is US$, while the functional currency of the PRC entities is Renminbi ("RMB") as determined based on the criteria of ASC 830, "Foreign Currency Matters".

Transactions denominated in other than the functional currencies are re-measured into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in other than the functional currency are re-measured at the balance sheet date exchange rate. The resulting exchange differences are recognized in earnings.

The financial statements of the Company' subsidiaries, VIE and VIE's subsidiaries using functional currency other than US$ are translated from the functional currency to the reporting currency, US$. Assets and liabilities of the Company's subsidiaries, VIE and VIE's subsidiaries incorporated in PRC are translated into US$ at balance sheet date exchange rate, while income and expense items are translated at average exchange rate prevailing during the fiscal year, representing the index rates stipulated by U.S. Federal Reserve. Equity is translated at historical rates. Translation adjustments arising from these are reported as foreign currency translation adjustments and are shown as accumulated other comprehensive income or loss on the consolidated balance sheets.

The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	As of June 30,		
	2022	2021	2020
Year-end spot rate	6.6981	6.4566	7.0651

	For the Year Ended June 30,		
	2022	2021	2020
Average rate	6.4554	6.6221	7.0309

Statement of Cash Flows

In accordance with FASB ASC Topic 230, "Statement of Cash Flows", cash flows from the Company, its subsidiaries, VIE and VIE's subsidiaries' operations are calculated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the consolidated statements of cash flows may not necessarily agree with changes in the corresponding balances on the consolidated balance sheets.

Earnings (Loss) per Share

In accordance with ASC 260, "Earnings Per Share", basic earnings (loss) per share is computed by dividing net income (loss) attributable to ordinary shareholders, considering the accretions to redemption value of the preferred shares and the deemed dividends to preference shareholders, if any, by the weighted average number of unrestricted ordinary shares outstanding during the year using the two-class method. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on dividends declared (or accumulated) and participating rights in undistributed earnings as if all the earnings for the reporting period had been distributed. Net loss is not allocated to other participating securities if based on their contractual terms they are not obligated to share the loss.

Diluted earnings (loss) per share is calculated by dividing net income (loss) attributable to ordinary shareholders, as adjusted for the accretion and allocation of net income related to the preferred shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of shares issuable upon the conversion of the preferred shares, and the exercise of outstanding share options and RSUs. The Company had convertible redeemable preferred shares, which could potentially dilute basic earnings per share. To calculate the number of shares for diluted net earnings (loss) per share, the effect of the convertible redeemable preferred shares is computed using the two-class method or the as-if converted method, whichever is more dilutive, and the effect of share options and RSUs is computed using the treasury method. Ordinary share equivalents are excluded from the computation in income periods should their effects be anti-dilutive.

Fair Value Measurements

Fair value is defined as 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. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value.

Financial instruments of the Company primarily comprised current assets and current liabilities including cash and cash equivalents, restricted cash, short-term investments, accounts receivable, deposit payable, accounts and notes payable and accrued expenses and other liabilities. The Company measures short-term investments at fair value on a recurring basis. Short-term investments include wealth management products issued by certain banks and financial institutions, which are valued based on the NAV or its equivalent provided by these banks or financial institutions. They are categorized in Level 2 of the fair value hierarchy. As of June 30, 2022 and 2021, the carrying values of other financial instruments approximated to their fair values because of the short-term nature of these instruments.

Commitments and Contingencies

Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Segment Reporting

ASC 280, "Segment Reporting", establishes standards for companies to report in their financial statement information about operating segments, products, services, geographic areas, and major customers. Operating segments are defined as components of an enterprise engaging in businesses activities for which separate financial information is available that is regularly evaluated by the Company's chief operating decision makers in deciding how to allocate resources and assess performance. The Company's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews consolidated results including revenue, gross profit and operating profit at a consolidated level only. The Company does not distinguish between markets for the purpose of making decisions about resources allocation and performance assessment. Therefore, the Company has only one operating segment and one reportable segment.

Concentration and Credit Risk

1) Credit risk

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents. The maximum exposure of such assets to credit risk is their carrying amount as at the balance sheet dates. As of June 30, 2022, 2021 and 2020, $24,979,447, $57,160,241 and $1,015,629 were deposited in financial institutions in the PRC, and each bank provides a deposit insurance with the maximum limit of RMB500,000 (equivalent to approximately $78,500) to each of the Company's subsidiaries who has an associated account(s) in that bank. None of the Company's bank accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") insurance. To limit the exposure to credit risk relating to deposits, the Company primarily places cash and cash equivalent deposits with large financial institutions in China which management believes are of high credit quality and the Company also continually monitors their credit worthiness.

The Company's operations are carried out in China. Accordingly, the Company's business, financial condition and results of operations may be influenced by the political, economic and legal environments in the PRC as well as by the general state of the PRC's economy. In addition, the Company's business may be influenced by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, rates and methods of taxation among other factors.

2) Foreign currency risk

Substantially all of the Company's revenues and expenses and assets and liabilities are denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the Peoples' Bank of China ("PBOC") or other authorized financial institutions at exchange rates quoted by PBOC. Approval of foreign currency payments by the PBOC or other regulatory institutions requires submitting a payment application form together with suppliers' invoices and signed contracts. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market.

3) Concentration risks

Accounts receivable are typically unsecured and derived from goods sold and services rendered to customers that are located primarily in China, thereby exposed to credit risk. The risk is mitigated by the Company's assessment of customers' creditworthiness and its ongoing monitoring of outstanding balances. The Company has a concentration of its receivables with specific customers. As of June 30, 2022, three customers accounted for 12%, 12%, and 11% of total accounts receivable, respectively. As of June 30, 2021, three customers accounted for 25%, 15%, and 12% of total accounts receivable, respectively. No customer accounted for 10% or more of total revenue for the years ended June 30, 2022, 2021 and 2020.

4) Other risks

The Company's business, financial condition and results of operations may also be negatively impacted by risks related to natural disasters, extreme weather conditions, health epidemics and other catastrophic incidents, such as the COVID-19 outbreak and spread, which could significantly disrupt the Company's operations.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments (ASC 326)", which significantly changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. In November 2018, the FASB issued ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses", which amends Subtopic 326-20 (created by ASU 2016-13) to explicitly state that operating lease receivables are not in the scope of Subtopic 326-20. Additionally, in April 2019, the FASB issued ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments";, in May 2019, the FASB issued ASU 2019-05, "Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief";, in November 2019, the FASB issued ASU 2019-10, "Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates", and ASU No. 2019-11, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses", and in March 2022, the FASB issued ASU 2022-02, "Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" to provide further clarifications on certain aspects of ASU 2016-13 and to extend the nonpublic entity effective date of ASU 2016-13. The changes (as amended) are effective for the Company for annual and interim periods in fiscal years beginning after December 15, 2022, and, in connection with the consummation of the merger with Fuwei Film (Holdings) Co., Ltd. as discussed in Note 20, the Company adopted ASC 326 on July 1, 2022 using a modified retrospective approach and does not expect a material impact on its consolidated financial statements.

In May 2021, the FASB issued ASU 2021-04, "Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options". ASU 2021-04 codifies how an issuer should account for modifications made to equity-classified written call options. The guidance in ASU 2021-04 requires the issuer to treat a modification of an equity-classified warrant that does not cause the warrant to become liability-classified as an exchange of the original warrant for a new warrant. This guidance applies whether the modification is structured as an amendment to the terms and conditions of the warrant or as termination of the original warrant and issuance of a new warrant. ASU 2021-04 is effective for all entities for fiscal years beginning after December 15, 2021, The Company does not expect the adoption of this update to have a material impact on its consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers", which requires entities to apply Topic 606 to recognize and measure contract assets and contract liabilities in a business combination as if it had originated the contracts. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022 and for all other entities, December 15, 2023. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance", which requires disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. The standard is effective for fiscal years beginning after December 15, 2021. The Company does not expect the adoption of this update to have a material impact on its consolidated financial statements and accompanying disclosures.

The Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated balance sheets, consolidated statements of operations and comprehensive income (loss), and consolidated statements of cash flows.

3 – ACQUISITION OF NON-CONTROLLING INTERESTS

On January 1, 2021, BaiJiaYun VIE entered into a security purchase agreement ("SPA") with a third-party individual who owned the 30% equity interest of Baijia Cloud Technology, together a management shareholder of the Company. Pursuant to the SPA and in substance, BaiJiaYun VIE acquired 30% equity interest of Baijia Cloud Technology by issuing 366,170 ordinary shares of BaiJiaYun VIE to the management shareholder of the Company, who in turn paid the equivalent value of consideration to the third-party individual. Upon closing of the acquisition of the 30% equity interest, BaiJiaYun VIE became the sole shareholder of Baijia Cloud Technology. The Company accounted for the transaction as an equity transaction and recognized the difference between the carrying amount of the non-controlling interests of $96,735 and the share consideration of $303,152 determined taking into account independent valuations as a reduction against additional paid-in capital.

On January 1, 2021, BaiJiaYun VIE entered into a security purchase agreement ("SPA") with a third-party individual who owned the 49% equity interest of Baijiayun Information Technology, together a management shareholder of the Company. Pursuant to the SPA and in substance, BaiJiaYun VIE acquired 49% equity interest of Baijiayun Information Technology by issuing 3,658,245 ordinary shares of BaiJiaYun VIE to the management shareholder of the Company, who in turn paid the equivalent value of consideration to the third-party individual. Upon closing of the acquisition of the 49% equity interest, BaiJiaYun VIE became the sole shareholder of Baijiayun Information Technology. The Company accounted for the transaction as an equity transaction and recognized the difference between the carrying amount of the non-controlling interests of $435,875 and the share consideration of $3,028,661 determined taking into account independent valuations as a reduction against additional paid-in capital.

4 - DISPOSAL OF A SUBSIDIARY

On August 3, 2020, BaiJiaYun VIE acquired 100% equity interest in Chengdu BaiJiaYun at cash consideration of $148,442 (RMB 983,000) from two third party individuals. On June 16, 2021, BaiJiaYun VIE transferred 100% equity interest in the subsidiary, at nil consideration, to Nanjing Shilian Technology Co., Ltd. ("Nanjing Shilian"), which is the controlling shareholder of the Company.

For the period from August 3, 2020 through June 16, 2021, Chengdu BaiJiaYun did not generate operating revenue, and incurred net loss amounted to $261,559, the abstract amount of which accounted for 6.4% of consolidated net income for the year ended June 30, 2021. Net negative assets of Chengdu BaiJiaYun amounted to $113,117 as of disposal date, and the abstract amount of which accounted for 0.2% of the consolidated net assets of the Company as of June 30, 2021. The management believed the transfer of equity interest in Chengdu BaiJiaYun does not represent a strategic shift that has (or will have) a major effect on the Company's operations and financial results. The transfer of equity interest is not accounted for as discontinued operations in accordance with ASC 205-20. The Company accounted for the transfer of equity interest in a subsidiary under common control as a capital transaction, and the difference between consideration and carrying amount of Chengdu BaiJiaYun of $113,117 was charged to the account of "additional paid-in capital".

5 – BUSINESS ACQUISITION AND GOODWILL

On March 24, 2022, the Company acquired an additional 17.62% equity interest of Beijing Deran, an investee the Company previously held 33.38% equity interest and accounted for using equity method, for a purchase consideration of $830,324 (RMB5,286,676). Upon the acquisition, Beijing Deran became a consolidated subsidiary of the Company, the equity and income attributable to the minority shareholders is recorded and presented as non-controlling interests.

The total purchase consideration of $830,324 consisted of a cash payment of $568,622, which was paid in full in April 2022, settlement of receivable from the seller in the amount of $124,660, and assumption of liabilities in the amount of $137,042. The assets and liabilities of Beijing Deran were recorded at their respective estimated fair value as of the acquisition date.

As a result of this transaction, the carrying value of the Company's previously held equity interest was remeasured to fair value, and resulted in a non-recurring, non-cash gain of $203,473 included in gain (loss) from equity method investments, net in the consolidated statements of operations and comprehensive income (loss) for the year ended June 30, 2022.

The following table presents the purchase price allocation of the assets acquired and liabilities assumed and the related deferred income taxes at the acquisition date. The dollar amount presented in the table was based on the exchange rate of RMB1.00 to US$0.157 on March 24, 2022.

	Amount US$	Amortization Years
Current assets	1,146,737	
Property and equipment, net	816	
Distribution channel	1,020,889	10
Technology	486,886	10
Total identifiable assets acquired	2,655,328	
Current liabilities	73,906	
Deferred tax liabilities	236,768	
Total liabilities assumed	310,674	
Net identifiable assets acquired	2,344,654	
Total purchase consideration	830,324	
Fair value of previously held equity interest	996,954	
Fair value of non-controlling interests	1,721,734	
Goodwill	1,204,358	

Goodwill, which is not tax deductible is related to synergies expected to arise after the acquisition.

The fair values of the non-controlling interest and previously held equity interest were determined using the Discounted Cash Flow ("DCF") method, the fair value of the distribution channel was determined using the Multi-period Excess Earnings Method, and the fair value of the technology was determined using the Relief from Royalty Method, all of which were under the income approach.

The determination of fair values involves the use of significant judgments and estimates. The judgments used to estimate the fair value assigned to assets acquired and liabilities assumed, the intangible asset life and non-controlling interests, as well as the significant assumptions, can materially impact the Company's consolidated financial statements. Significant assumptions used for the models included but not limited to the weighted average cost of capital, forecasted operating cash flows, discount rates, attrition rate, and royalty saving rate. The Company utilized the assistance of third-party valuation appraisers to determine the fair values as of the date of acquisition.

Since the acquisition date, Beijing Deran contributed revenues and net loss of $363,248 and $67,901 to the Company from March 25, 2022 to June 30, 2022, respectively. Pro forma results reflecting this transaction were not presented because it is not significant to the Company's consolidated financial results.

6 - ACCOUNTS RECEIVABLE, NET

As of June 30, 2022 and 2021, accounts receivable, net consisted of the following:

	As of June 30,	
	2022	2021
Accounts receivable	$ 29,152,294	$ 9,862,915
Less: Doubtful allowance	(6,629,960)	(806,140)
	$ 22,522,334	**$ 9,056,775**

Provisions for doubtful accounts of accounts receivable were $6,072,933, $601,350 and $132,287 for the years ended June 30, 2022, 2021 and 2020, respectively. Movement of allowance for doubtful accounts was as follows:

	For the Years Ended June 30,		
	2022	2021	2020
Balance at beginning of the year	$ 806,140	$ 173,066	$ 42,627
Charge to expenses	6,072,933	601,350	132,287
Foreign exchange gain (loss)	(249,113)	31,724	(1,848)
Balance at end of the year	**$ 6,629,960**	**$ 806,140**	**$ 173,066**

7 - PROPERTY AND EQUIPMENT, NET

As of June 30, 2022 and 2021, property and equipment, net consisted of the following:

	As of June 30,	
	2022	2021
Electronic equipment	$ 777,547	$ 585,723
Leasehold improvements	230,635	—
Office equipment	83,226	1,850
	1,091,408	587,573
Less: Accumulated depreciation	(506,215)	(220,798)
Property and equipment, net	**$ 585,193**	**$ 366,775**

For the years ended June 30, 2022, 2021 and 2020, depreciation expenses were $309,639, $127,987 and $67,767, respectively.

8 – INTANGIBLE ASSETS, NET

As of June 30, 2022 and 2021, intangible assets, net, consisted of the following:

	As of June 30,	
	2022	2021
Capitalized software development costs	$ 1,948,008	$ 553,924
Distribution channel	970,424	—
Technology	462,818	—
Other	4,133	—
	3,385,383	553,924
Less: Accumulated amortization	(39,964)	—
Intangible assets, net	**$ 3,345,419**	**$ 553,924**

For the years ended June 30, 2022, 2021 and 2020, amortization expenses were $37,178, $nil and $nil, respectively.

Estimated future amortization expense related to intangible assets held as of June 30, 2022 is as follows:

Year ended June 30,	
2023	$ 503,814
2024	576,651
2025	559,448
2026	542,245
2027	525,042
Thereafter	638,219
Total	$ 3,345,419

9 – LEASES

The Company leases office spaces in different cities in the PRC under non-cancelable operating leases, with terms ranging between 5 months and 60 months. The Company includes the renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of right of use assets and lease liabilities. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The table below presents the operating lease related assets and liabilities recorded on the consolidated balance sheets.

	As of June 30,	
	2022	2021
Right of use assets	$ 1,327,575	$ 1,257,911
Operating lease liabilities, current	625,048	574,825
Operating lease liabilities, noncurrent	551,221	628,046
Total operating lease liabilities	**$ 1,176,269**	**$ 1,202,871**

Other information about the Company's leases is as follows:

	For the Years Ended June 30,		
	2022	2021	2020
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows used in operating leases	$ 698,602	$ 638,193	$ 373,662
Supplemental lease cash flow disclosure			
Operating lease right of use assets obtained in exchange for operating lease liabilities	$ 738,894	$ 952,961	$ 130,400
Weighted average remaining lease term (years)	2.09	2.26	2.47
Weighted average discount rate	4.75 %	4.75 %	4.75 %

Operating lease expenses were $727,777, $536,475 and $319,637, respectively, for the years ended June 30, 2022, 2021 and 2020. Short-term lease expenses were $6,702, $27,330 and $76,134, respectively, for the years ended June 30, 2022, 2021 and 2020.

The Company's maturity analysis of operating lease liabilities as of June 30, 2022 is as follows:

Year ended June 30,	Operating leases
2023	$ 706,931
2024	418,005
2025	110,218
2026	—
2027	—
Thereafter	—
Total lease payments	1,235,154
Less: Imputed interest	(58,885)
Present value of lease liabilities	**1,176,269**
Less: operating lease liabilities, current	(625,048)
Operating lease liabilities, noncurrent	**$ 551,221**

10 - LONG-TERM INVESTMENTS

As of June 30, 2022 and 2021, long-term investments consisted of the following:

	As of June 30,	
	2022	2021
Equity investment accounted for using the equity method (a)	$ 24,989,651	$ 771,520
Equity investment without readily determinable fair value measured at Measurement Alternative (b)	22,395	23,232
	$ 25,012,046	**$ 794,752**

(a) For the years ended June 30, 2022 and 2021, the movement of equity investments accounted for using the equity method consisted of the following:

	June 30, 2022	June 30, 2021
Balance at beginning of the year	**$** 771,520	**$** —
Investment in Beijing Deran	—	756,558
Investment in Beijing Hongxin Wanda Technology Co., Ltd. ("Hongxin Wanda")	25,559,996	—
Business combination achieved in stages	(996,954)	—
Gain (loss) from equity method investments	580,816	(4,320)
Foreign exchange gain (loss)	(925,727)	19,282
Balance at end of the year	**$ 24,989,651**	**$ 771,520**

In May 2021, the Company acquired 33.38% equity interest in Beijing Deran, at cash consideration of made investment of $756,558. In May 2021, the Company paid the cash consideration of $378,279 and had an outstanding investment payable of $387,975 as of June 30, 2021, which was fully paid in July 2021.

Beijing Deran was engaged in AI solution system. The investment was for the purpose of diversifying the product lines. The Company is able to exercise significant influence over Beijing Deran, and the investment is accounted for using the equity method. For the years ended June 30, 2022 and 2021, equity investment gain of $8,166 and loss of $4,320 was recognized in the consolidated statements of operations and comprehensive income (loss), respectively.

On March 24, 2022, BaiJiaYun VIE acquired an additional 17.62% equity interest in Beijing Deran, at total consideration of $830,324. As a result, equity interest in Beijing Deran increased to 51%, and Beijing Deran became a consolidated subsidiary of the Company. The equity interest in Beijing Deran immediately before the acquisition date was remeasured to the fair value of $996,954, resulting in a gain of $203,473 which was included in gain (loss) from equity method investments , net in the consolidated statements of operations and comprehensive income (loss). Also see Note 5.

In October 2021, the Company made investments of $12,779,998 (RMB 82,500,000) to acquire 15% equity interest in Hongxin Wanda, which is a privately held entity. The Company was entitled to assign a director to the board of Hongxin Wanda, and exercised significant influence over the investee. The Company accounted for the investment using equity method. In April 2022, the Company made an additional investment of $12,779,998 (RMB 82,500,000) to acquire another 15% equity interest in Hongxin Wanda. For the year ended June 30, 2022, equity investment gain of $368,178 was recognized in the consolidated statements of operations and comprehensive income (loss).

In April 2022, the Company signed an investment agreement with Xinjiang ZhongWang Technology Co., Ltd., pursuant to which the Company planned to invest $790,036 (RMB 5,100,000) to acquire 51% of the investee by means of funding its registered capital. In June 2022, Xinjiang ZhongWang Technology Co., Ltd. changed its name to Xinjiang BaiJiaYun Technology Co., Ltd. (“XinJiang BaiJiaYun”) and registered the Company as its 51% shareholder with a claimed but unpaid registered capital of RMB5,100,000. According to the investment agreement, the transaction will be closed and the Company will obtain voting right equivalent to its ownership when the Company has paid the investment proceeds to fund the registered capital. As of the date of this report, the Company has not paid any of the proceeds and the investment transaction is not closed.

As of June 30, 2022 and 2021, the Company did not note other-than-temporary decline in fair value below the carrying value of the investments and did not accrue any impairment against the investments.

(b) For the years ended June 30, 2022 and 2021, the movement of equity investments without readily determinable fair value measured at Measurement Alternative consisted of the following:

	June 30, 2022	June 30, 2021
Balance at beginning of the year	**$ 23,232**	**$ —**
Investment in Wuhan Qiyunshilian Technology Co., Ltd. (“Wuhan Qiyunshilian”)	—	77,015
Transfer of investment in Wuhan Qiyunshilian	—	(54,364)
Foreign exchange gain (loss)	(837)	581
Balance at end of the year	**$ 22,395**	**$ 23,232**

In January 2021, the Company and a third-party entity set up Wuhan Qiyunshilian, over which the Company paid up $77,015 and owned 51% of the equity interest in Wuhan Qiyunshilian. In February 2021, BaiJiaYun VIE transferred 36% equity interest in Wuhan Qiyunshilian to an unrelated third-party at cash consideration of $54,364. As of June 30, 2022 and 2021, BaiJiaYun VIE had 15% equity interest in Wuhan Qiyunshilian amounting to $22,395 and $23,232, respectively.

Because the investment and transfer of investment happened concurrently with the same price for each unit of equity interest, and Wuhan Qinyunshilian did not commence operations in January 2021, the Company combined the investment and transfer of investment and accounted for the transaction as an investment in privately held investment using the measurement alternative at cost, less impairment, with subsequent adjustments for observable price changes resulting from orderly transactions for identical or similar investments of the same issuer. As of June 30, 2022 and 2021, the Company did not identify orderly transactions for similar investments of the investee, or any impairment indicators, and the Company did not record upward or downward adjustments or impairment against the investment.

The Company did not conduct any investment transactions for the year ended June 30, 2020.

11 - DEPOSITS PAYABLE

As of June 30, 2021, the balance of deposits payable of $11,616,021 (RMB 75,000,000) represented the amount made from an investor to BaiJiaYun VIE, as deposits for the investment of 2,419,909 Series C convertible redeemable preferred shares of the Company. In January 2022, BaiJiaYun VIE returned the deposits to the investor, who concurrently paid cash consideration to BaiJiaYun. The financing transaction of Series C convertible redeemable preferred shares was closed in January 2022.

12 - ACCRUED EXPENSES AND OTHER LIABILITIES

As of June 30, 2022 and 2021, accrued expenses and other liabilities consisted of the following:

	As of June 30,	
	2022	2021
Accrued payroll and welfare	$ 3,713,311	$ 3,275,364
Accrued professional fees	—	926,362
VAT and other taxes payable	512,917	540,571
Accrued expenses	372,790	109,929
	$ 4,599,018	**$ 4,852,226**

13 - CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Company completed several rounds of equity financing and issued the following convertible redeemable preferred shares since its formation. As of June 30, 2019, the following were issued and outstanding: 5,699,962 Series Seed convertible redeemable preferred shares, 7,352,952 Series A convertible redeemable preferred shares in exchange of cash consideration of $3,160,565 (RMB 20,000,000), 6,127,671 Series A-1 convertible redeemable preferred shares in exchange of cash consideration of $6,234,220 (RMB40,000,000), 3,031,476 Series A-2 convertible redeemable preferred shares in exchange of cash consideration of $2,990,878 (RMB20,000,000), and 3,789,358 Series A-3 convertible redeemable preferred shares in exchange of cash consideration of $3,610,056 (RMB25,000,000).

In November 2020, the Company completed Series B and Series B+ equity financing, and issued 8,137,098 Series B convertible redeemable preferred shares and 4,746,653 Series B+ convertible redeemable preferred shares in exchange for cash consideration of $28,028,845 (RMB 190,000,000). The Company incurred issuance costs of $303,402 (RMB2,009,154) in connection with this issuance.

In January 2022, the Company completed Series C equity financing and issued 2,419,909 Series C convertible redeemable Preferred Shares at cash consideration of $11,807,305 (RMB 75,000,000). The issuance cost incurred in connection with the issuance of Series C convertible redeemable Preferred Shares was immaterial.

The following table summarized the roll-forward of the carrying amount of the convertible redeemable preferred shares for the years ended June 30, 2022, 2021 and 2020:

	Series Seed	Series A	Series A-1	Series A-2	Series A-3	Series B	Series B+	Series C	Total
Balance as of July 1, 2019	**$ 1,274,990**	**$ 3,465,025**	**$ 6,545,180**	**$ 2,999,512**	**$ 3,681,170**	**$ —**	**$ —**	**$ —**	**$ 17,965,877**
Accretion of preferred shares	—	342,283	684,567	342,283	427,854	—	—	—	1,796,987
Foreign exchange adjustment	(36,110)	(99,792)	(188,685)	(86,608)	(106,327)	—	—	—	(517,522)
Balance as of June 30, 2020	**$ 1,238,880**	**$ 3,707,516**	**$ 7,041,062**	**$ 3,255,187**	**$ 4,002,697**	**$ —**	**$ —**	**$ —**	**$ 19,245,342**
Issuance of preferred shares in exchange of cash	—	—	—	—	—	17,550,274	10,478,571	—	28,028,845
Issuance cost in issuance of preferred shares in exchange of cash	—	—	—	—	—	(191,622)	(111,780)	—	(303,402)
Re-designation of preferred shares	(231,003)	(1,173,993)	(2,246,285)	646,481	—	2,143,716	861,084	—	—
Accretion of preferred shares	—	219,426	487,866	286,141	354,146	1,111,345	570,605	—	3,029,529
Deemed dividends	—	—	635,609	17,724	—	1,314,269	117,184	—	2,084,786
Contribution from preferred shareholders in connection with modification	—	(209)	(51,555)	(22,304)	(27,880)	—	—	—	(101,948)
Foreign exchange adjustment	110,835	324,933	633,472	330,580	385,598	1,147,601	399,897	—	3,332,916
Balance as of June 30, 2021	**$ 1,118,712**	**$ 3,077,673**	**$ 6,500,169**	**$ 4,513,809**	**$ 4,714,561**	**$ 23,075,583**	**$ 12,315,561**	**$ —**	**$ 55,316,068**
Issuance of preferred shares in exchange of cash	—	—	—	—	—	—	—	11,807,305	11,807,305
Accretion of preferred shares	—	175,472	337,994	288,998	309,818	1,487,127	867,491	398,530	3,865,430
Foreign exchange adjustment	(40,336)	(117,323)	(246,610)	(173,217)	(181,210)	(885,874)	(475,471)	—	(2,120,041)
Balance as of June 30, 2022	**$ 1,078,376**	**$ 3,135,822**	**$ 6,591,553**	**$ 4,629,590**	**$ 4,843,169**	**$ 23,676,836**	**$ 12,707,581**	**$ 12,205,835**	**$ 68,868,762**

Key terms of the convertible redeemable preferred shares are as follows:

Conversion

Each holder of convertible redeemable preferred shares ("Preferred Share") shall have the right, at such holder's sole discretion, to convert all or any portion of the preferred shares into ordinary shares on a one-for-one basis at any time. The initial conversion price is the issuance price of preferred shares, subject to adjustment in the event of (1) issuance of additional ordinary shares (2) share dividend and other distribution (3) reorganizations, mergers, consolidations, reclassification, exchange, and substitution.

Each preferred share shall automatically be converted into ordinary shares, based on the then applicable conversion price for each convertible redeemable preferred share, without the payment of any additional consideration, into fully-paid and non-assessable ordinary shares upon the closing of the Qualified IPO.

Qualified IPO is defined as a firm-commitment underwritten public offering of ordinary shares of the Company (or securities representing such ordinary shares) and listing of the shares or backdoor listing (including through a special purpose acquisition company transaction ("SPAC Transaction") registered under the Securities Act on the New York Stock Exchange, the Nasdaq, the Stock Exchange of Hong Kong Limited, or any other internationally recognized stock exchange.

Redemption

At any time after the earlier of the occurrence of any of following circumstances: a) the Founder commits illegal acts or has material potential integrity problems; b) the Founder loses control of the Company; c) the Company's business cannot be conducted due to regulatory reasons; d) the Company breaches its obligations or liabilities to investors in terms of corporate governments; or e) any material breach of the Shareholder Agreement, the Share Purchase Agreements and other transaction documents by the Founder (including, without limitation, the transaction documents contain any untrue, inaccurate, incomplete or materially misleading representations and warranties), each holder of the Preferred Shares shall have the right to request for the redemption of part or all of the preferred shares held by them. The redemption is exercised in the sequence of Series C Preferred Share, Series B+ Preferred Share, Series B Preferred Share, Series A-3 Preferred Share, Series A-2 Preferred Share, Series A-1 Preferred Share, and Series A Preferred Share (including Series Seed Preferred Share).

The redemption price per the Preferred Share shall equal the sum of (A) 100% of the issue price corresponding to the redemption shares plus an amount that would provide for a simple interest rate of 8% per annum (calculated on a daily basis from the date on which the issue price of such Preferred Shares was actually paid), plus (B) the declared but unpaid dividends with respect to such redemption shares as of the date on which the holders of convertible redeemable preferred shares actually receive such redemption price. The simple interest rate provided for Series Seed, Series A, Series A-1, Series A-2 and Series A3 Preferred Share was initially agreed at 12% per annum, which was then changed to 8% per annum upon the issuance of Series B and Series B+ Preferred Share in November 2020.

In addition, if the holders of the Preferred Shares failed to exit through the Company's subsequent equity financing, mergers and acquisition, qualified IPO or other transactions, with an internal rate of return of less than 8% per annum, the holders of Preferred Shares shall have the right to received compensations that will ensure the exit price no less than the sum of (A) 100% of the issue price, (B) a simple interest rate of 8% per annum (calculated on a daily basis from the date on which the issue price of such Preferred Shares was actually paid to the later of the date when the holders actually receive such compensation). The sequence order of exit compensation provided to each holder of Preferred Share, in case if two or more holders made the request, shall be the same as that for redemption.

Liquidation Preference

In the event of a liquidation (including deemed liquidation, such as change in control, etc.), dissolution, winding up or other statutory liquidation event of the Company, either voluntary or involuntary, distributions shall be made in the following manner (after satisfaction of all creditors' claims and claims that may be preferred by law). A statutory liquidation event shall include (i) a merger, amalgamation or consolidation of the Company; (ii) a sale, exchange, transfer or other disposition of all or substantially all of the assets of the Company.

If there are any assets or funds remaining after distribution in full to the holders of preferred shares, the remaining assets and funds of the Company that is legally available for distribution to the shareholders shall be distributed to the holders of the preferred shares and ordinary shares ratably amongst them in proportion to the number of ordinary shares held by them on an as-converted basis.

The liquidation preference is exercised in the sequence of Series C Preferred Share, Series B+ Preferred Share, Series B Preferred Share, Series A-3 Preferred Share, Series A-2 Preferred Share, Series A-1 Preferred Share, Series A Preferred Share and Series Seed Preferred Share. Upon occurrent of liquidation events, the holders of preferred share shall be entitled to receive the amount equal to 100% of their respective investment amounts. If the assets of the Company are insufficient to make payment of the 100% investment amounts to the holders of preferred shares, the holders of preferred shares are entitled to the amounts at ratably in proportion to the full amount to which the holders are entitled to.

Dividends

No dividends that is more than 30% of the Company's distributable profits for that year shall be paid unless otherwise approved by more than two-thirds of the voting rights of the shareholders of the Company. The dividend preference sequence is the same as the liquidation preference. After the dividends for the Series C Preferred Share, Series B+/B Preferred Shares, Series A-3/A-2/A-1 Preferred Shares, and Series A (including Series Seed) Preferred Shares have been fully paid, and in the event the Company further declares dividend or distribution in cash or in kind, any additional dividends shall be distributed pro rata among all holders of the ordinary shares and Preferred Shares, provided that the holder of the Series Seed Preferred Shares shall be entitled to receive dividends prior and in preference to any declaration or payment of any dividend on the ordinary shares. No dividend was declared or accrued for the years ended June 30, 2022, 2021 and 2020.

Voting Rights

The holders of all convertible redeemable preferred shares and ordinary shares shall vote together based on their shareholding ratio.

Accounting for the Convertible Redeemable Preferred Shares

The Company has classified the convertible redeemable preferred shares as mezzanine equity as these preferred shares are contingently redeemable upon the occurrence of an event not solely within the control of the Company. Each issuance of the convertible redeemable preferred shares is recognized at the respective issue price at the date of issuance net of issuance costs. In addition, the Company accretes changes in the redemption value of the convertible redeemable preferred shares based on the issuance price plus a pre-determined annualized return set forth in the agreement. The change in redemption value is recorded against retained earnings, or in the absence of retained earnings, against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges are recorded by increasing the accumulated deficit.

The Company has determined that there was no embedded derivative to be bifurcated and no beneficial conversion feature attributable to all of series preferred shares because the initial effective conversion price of these preferred shares was higher than the fair value of the Company's common shares at the commitment date determined by the Company taking into account independent valuations.

Deemed dividends to shareholders of Preferred Shares

In September 2020, one Series A-1 investor purchased 1,024,615 Series Seed convertible redeemable preferred shares directly from the four Series Seed convertible redeemable preferred shareholders. These 1,024,615 Series Seed preferred shares were re-designated by the Company as Series A-1 convertible redeemable preferred shares.

In September 2020, certain Series B investors purchased 2,147,316 Series A convertible redeemable preferred shares from a Series A preferred shareholder. These 2,147,316 Series A convertible redeemable preferred shares were re-designated by the Company as Series B convertible redeemable preferred shares.

In December 2020, one Series B+ investor purchased 678,093 Series A-1 convertible redeemable preferred shares from two Series A-1 preferred shareholders. These 678,093 Series A-1 convertible redeemable preferred shares were re-designated by the Company as Series B+ convertible redeemable preferred shares.

In December 2020, one Series B investor purchased 762,855 Series A-1 convertible redeemable preferred shares from one Series A-1 preferred shareholder. These 762,855 Series A-1 convertible redeemable preferred shares were re-designated by the Company as Series B convertible redeemable preferred shares.

In December 2020, two Series A-2 investors purchased 508,570 Series A-1 convertible redeemable preferred shares from one Series A-1 preferred shareholder. These 508,570 Series A-1 convertible redeemable preferred shares were re-designated by the Company as Series A-2 convertible redeemable preferred shares.

The above re-designations were accounted for as an extinguishment of preferred shares from previous series and issuance of respective series of preferred shares. The re-designated series of preferred shares are recorded at fair value on the re-designation date, with the excess of the fair value of re-designated series over the carrying value of preferred shares from previous series on the re-designation date recognized as deemed dividend of $2,084,786 for the years ended June 30, 2021.

Modification of the Preferred Shares

As mentioned in the "Redemption section" under this Note, the redemption price per Series Seed/A/A-1/A-2/A-3 Preferred Share changed upon the issuance of Series B and Series B+ Preferred Share in November 2020. The simple interest rate for Series Seed/A/A-1/A-2/A-3 Preferred Share was initially agreed at 12% per annum before equity financing through Series B/B+ Preferred Share and changed to 8% per annum to keep consistent with the Series B/B+ Preferred Share. Such a change in simple interest rate is accounted for as a modification because the change in far value of Series Seed/A/A-1/A-2/A-3 Preferred Share arising from the change interest rate is less than 2%, and such a change in interest rate did not add or eliminate other key terms of preferred shares. The Company applied modification accounting, with the difference of the fair value of modified series of preferred shares below the fair value before modification recognized as contribution from preferred shareholders of $101,948 for the years ended June 30, 2021.

14 – SHARE BASED COMPENSATION

On October 1, 2021, the Company adopted the 2021 Share Option Plan ("2021 Plan"), under which the maximum number of shares that may be granted is 9,486,042 ordinary shares. During the year ended June 30, 2022, an aggregate of 1,709,310 restricted share units were granted to employees, and an aggregate of 6,816,417 share options were granted to management and employees.

Restricted Share Units ("RSUs")

On October 1, 2021, the Company awarded 1,709,310 RSUs to employees. These RSUs were fully vested on December 31, 2021. If the recipient terminates the employment relationship with the Company before the vesting of the RSUs, the unvested portion will be forfeited. If the recipient terminates the employment relationship with the Company after the vesting of the RSUs, the recipient needs to exercise the RSUs within 30 days of resignation, otherwise the RSUs will be cancelled. Each RSU has an exercise price of $0 (RMB 0.0001).

A summary of the changes in the RSUs relating to ordinary shares granted by the Company during the year ended June 30, 2022 is as follows:

	Number of RSUs		Weighted average grant date fair value
Awarded and unvested as of July 1, 2021	—	$	—
Granted	1,709,310	$	1.67
Cancelled/forfeited	(54,200)	$	1.67
Vested*	(1,655,110)	$	1.67
Awarded and unvested as of June 30, 2022	—	$	—
Expected to vest as of June 30, 2022	—	$	—

*As of June 30, 2022, the Company has not issued ordinary shares of 1,709,310 for the vested RSUs, and the lapse was due to reasons of administrative convenience established by the Company from time to time. The Company expects to issue these ordinary shares in December 2022. The recipient does not have voting right before the shares were issued.

For the year ended June 30, 2022, the Company recognized share-based compensation expense of $2,865,048 in connection with the above RSU awards.

Share Options

In October 2021, the Company awarded 6,816,417 share options to management and employees. These options have graded vesting schedule over the requisite service period ranging between two and four years, exercise prices ranging from $0 to $1.49 (RMB0.0001 to RMB10) and expiration period ranging from four to six years. If the recipient terminates the employment relationship with the Company before the vesting of the share options, the unvested portion will be forfeited and the recipient needs to exercise the vested portion within 30 days of resignation, otherwise they will be cancelled. The Company also has the right, but not the obligation, to repurchase from the recipient the shares issued from the option exercise before the occurrence of the Company's listing.

The following table summarized the Company's share option activities for the year ended June 30, 2022:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contract Life Years	Weighted Average Grant Date Fair value	Aggregate Intrinsic Value
Options outstanding on July 1, 2021	—	—	—	—	—
Granted	6,816,417	$ 0.48	4.35	$ 0.32	—
Forfeited	(267,350)	$ 0.87	—	—	—
Expired	—	—	—	—	—
Exercised	—	—	—	—	—
Options outstanding on June 30, 2022	**6,549,067**	**$ 0.46**	**4.35**	**$ 0.32**	**31,620,241**
Options vested and exercisable on June 30, 2022	3,749,591	$ 0.03	3.95	$ 0.42	19,714,484

For the year ended June 30, 2022, the Company recognized share-based compensation expense of $6,657,140 in connection with the above share options.

The fair value of the RSUs is determined using the backsolve method based on the equity allocation model with adoption of some key parameters such as risk-free rate, equity volatility, probability of each scenario and dividend yield. The fair value of the share options is determined using the binomial option pricing model. The key assumptions used to determine the fair value of the options at the grant date were as follows:

Expected volatility	50.0% ~ 53.3%
Risk-free interest rate	2.5% ~ 2.8%
Expected dividend yield	0.0%
Exercise multiple	2.2 ~ 2.8

The above inputs for the binomial model have been determined based on the following:

- Expected volatility is estimated based on the daily close price volatility of a number of comparable companies;
- Risk-free interest rate was estimated based on the daily treasury long term rate of the U.S. Treasury Department with a maturity period close to the expected term of the options;
- Dividend yield was estimated by the Company based on its expected dividend policy over the expected term of the option;
- Exercise multiple is based on empirical research on typical share award exercise behavior.

As of June 30, 2022, $2,742,563 of total unrecognized compensation expense related to share options is expected to be recognized over a weighted average period of approximately 2.1 years. Total unrecognized compensation cost may be adjusted for actual forfeitures occurring in the future.

15 – EQUITY

Ordinary Shares

The Company's authorized share capital is 500,000,000 shares of a nominal or par value of US$0.0001. The authorized share capital is comprised of (i) 458,694,920 share are designated as ordinary Shares of a par value of US$0.0001 each, (ii) 9,880,984 are designated as series A preferred shares (including the series Seed preferred shares) of a par value of US$0.0001 each, (iii) 12,532,172 are designated as series A+ (including A-1/A-2/A-3) preferred shares of a par value of US$0.0001 each, (iv) 11,047,269 are designated as series B preferred shares of a par value of US$0.0001 each, (v) 5,424,746 are designated as series B+ preferred shares of a par value of US$0.0001 each, (vi) 2,419,909 are designated as series C preferred shares of a par value of US$0.0001 each.

On April 21, 2021, the Company issued 38,417,461 shares of ordinary shares, at par value of $0.0001, to all existing shareholders on a pro rata basis. No cash or other consideration was paid for the issuance of 38,417,461 ordinary shares. All the existing shareholders and directors of the Company considered this stock issuance was part of the Company's reorganization to result in 38,417,461 ordinary shares issued and outstanding prior to completion of this offering and similar to stock split. The Company has retroactively restated all shares and per share data for all periods presented.

In January 2021, the Company issued a total of 4,024,415 ordinary shares for acquisition of non-controlling interests, of which 366,170 ordinary shares was for the exchange of the 30% of equity interest in Baijia Cloud Technology and 3,658,245 of ordinary shares was for the exchange of the 49% of equity interest in Baijiayun Information Technology, respectively.

In October 2020, the Company issued 1,627,424 ordinary shares to Nanjing Shilian Technology Co., Ltd who is the general partner of the Company's employee share-based payment platform.

As a result, the Company had 458,694,920 authorized ordinary shares, par value of US$0.0001, of which 44,069,300 were issued and outstanding as of June 30, 2022 and 2021.

Restricted Net Assets

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries, VIE and VIE's subsidiaries only out of their respective retained earnings, if any, as determined in accordance with PRC accounting standards and regulations and after it has met the PRC requirements for appropriation to statutory reserves. Paid in capital of the PRC subsidiaries included in the Company's consolidated net assets are also non-distributable for dividend purposes. The results of operations reflected in the accompanying consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the subsidiaries. The Company's PRC subsidiaries, VIE and VIE's subsidiaries are required to set aside at least 10% of their after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, the Company's PRC subsidiaries, VIE and VIE's subsidiaries may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion fund and staff bonus and welfare fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends.

As of June 30, 2022 and 2021, the Company's PRC subsidiaries, VIE and VIE's subsidiaries set aside statutory reserves amounted to $919,407 and $17,758, respectively. The Company has not allocated any of its after-tax profits to the staff welfare and bonus funds for any period presented.

As of June 30, 2022 and 2021, the Company had net assets restricted in the aggregate, which include paid-in capital and statutory reserve of the Company's PRC subsidiaries, VIE and VIE's subsidiaries that are included in the Company's consolidated net assets, of $49,756,268 and $47,196,030, respectively.

16 – INCOME TAX

Cayman Islands

Under the current and applicable laws of the Cayman Islands, BaiJiaYun is not subject to tax on income or capital gain. Additionally, upon payments of dividends by BaiJiaYun to its shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate for the first Hong Kong Dollar ("HKD$") 2 million of assessable profits is 8.25% and assessable profits above HKD$2 million will continue to be subject to the rate of 16.5% for corporations in Hong Kong. Under Hong Kong tax laws, The Company's subsidiary incorporated in Hong Kong is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

PRC

The Company's subsidiaries incorporated in the PRC are subject to PRC Enterprise Income Tax ("EIT") on the taxable income in accordance with the relevant PRC income tax laws. Effective from January 1, 2008, a new Enterprise Income Tax Law, or the New EIT Law, combined the previous income tax laws for foreign invested and domestic invested enterprises in the PRC by the adoption of a unified tax rate of 25% for most enterprises with the following exceptions.

Entities qualifying as Software Enterprises enjoy full exemption from EIT for two years beginning from their first profitable calendar year and a 50% reduction for the subsequent three calendar years.

BaiJiaYun VIE qualified as a Software Enterprise in 2019 and made profit since the year ended June 30, 2020. As a Software Enterprise, BaiJiaYun VIE is entitled to the preferential tax treatments where it is entitled to full exemption for EIT for the first two tax years, and subject to a 50% reduction in EIT for the following three tax years. BaiJiaYun VIE received the preferential tax treatments from the fiscal year ended June 30, 2020 and is entitled to full exemption from EIT for the tax year ended on December 31, 2020 and 2021. BaiJiaYun VIE did not renew the Software Enterprise qualification and the preferential tax treatment regarding the 50% reduction in EIT is forfeited starting January 1, 2022. Nanjing BaiJiaYun qualified as a Software Enterprise in 2022 and received the preferential tax treatments of full exemption from EIT for the tax years ended on December 31, 2022 and 2023, and is subject to a 50% reduction in EIT for the tax years ended on December 31, 2024 through 2026.

Entities qualifying as High and New Technology Enterprise are eligible for a preferential tax rate of 15% with High and New Technology Enterprise certificate effective for a period of three years. BaiJiaYun VIE qualified as a High and New Technology Enterprise in 2022 and enjoys the preferential income tax rate of 15% for the tax years ended on from December 31, 2022 through 2024. Wuhan BaiJiaYun qualified as a High and New Technology Enterprise in 2019 and enjoys the preferential income tax rate of 15% for the tax years ended on December 31, 2019 through 2021. Wuhan BaiJiaShiLian qualified as a High and New Technology Enterprise in 2020 and enjoys the preferential income tax rate of 15% for the tax years ended on December 31, 2020 through 2022. Beijing Deran qualified as a High and New Technology Enterprise in 2021 and enjoys the preferential income tax rate of 15% for the tax years ended on December 31, 2021 through 2023.

Entities qualifying as "small enterprise with low profit" and with a taxable income not exceeding RMB1 million are eligible for a preferential tax rate of 5% for the tax years ended on December 31, 2019 and 2020, and a preferential tax rate of 2.5% for the tax years ended on December 31, 2021 and 2022. For the tax years ended on December 31, 2019 and 2020, Nanjing BaiJiaYun, was recognized as "small enterprise with low profit" and received a preferential income tax rate of 5%. For the tax year ended on December 31, 2020, BaiJiaYun Information Technology and Baijia Cloud Technology, were recognized as "small enterprise with low profit" and received a preferential income tax rate of 5%. For the tax year ended on December 31, 2021, Guizhou BaiJiaYun, Haoyu Xingchen, Xi'an BaiJiaYun, Henan BaiJiaYun, and BaiJiaYun WFOE, were recognized as "small enterprise with low profit" and received a preferential income tax rate of 2.5%. For the tax year ended on December 31, 2022, Guizhou BaiJiaYun , Haoyu Xingchen , BaiJiaYun WFOE, Nanning Baishilian, Shanghai Baishilian, Guangxi Weifang were recognized as "small enterprise with low profit" and received a preferential income tax rate of 2.5%.

In September 2018, the State Taxation Administration of the PRC announced a preferential tax treatment for research and development expenses. Qualified entities are entitled to deduct 175% research and development expenses against income to reach a net operating income.

The current PRC EIT Law imposes a 10% withholding income tax for dividends distributed by foreign invested enterprises to their immediate holding companies outside the PRC. A lower withholding tax rate will be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign holding company. Distributions to holding companies in Hong Kong that satisfy certain requirements specified by the PRC tax authorities, for example, will be subject to a 5% withholding tax rate.

The income tax expenses for the years ended June 30, 2022, 2021 and 2020 were comprised of the following:

	For the Years Ended June 30,		
	2022	2021	2020
Current income tax expense	$ 478,349	$ 16,875	$ 26,120
Deferred income tax expense (benefit)	(2,115,834)	325,281	65,871
Income tax expense (benefit)	**$ (1,637,485)**	**$ 342,156**	**$ 91,991**

The reconciliation between the statutory income tax rate and the Company's effective tax rate is as follows:

	For the Years Ended June 30,		
	2022	2021	2020
Statutory tax rate	25.00 %	25.00 %	25.00 %
Effect of tax holiday and preferential tax benefit	35.21 %	(18.74)%	(20.27)%
Effect of research and development credits	6.66 %	(14.21)%	(5.66)%
Effect of other non-deductible expenses	(0.46)%	0.12 %	0.05 %
Effect of change in valuation allowance	(54.92)%	16.40 %	3.30 %
Effective tax rate	**11.49 %**	**8.57 %**	**2.43 %**

The principal components of deferred tax assets and deferred tax liabilities are as follows:

	June 30, 2022	June 30, 2021
Deferred tax assets		
Allowance for doubtful accounts receivables and other receivables	$ 1,741,394	$ 69,989
Net operating loss carrying forwards	3,744,239	990,697
Share-based compensation	1,926,942	—
Unrealized profit	3,212,027	—
Donation expenditure	—	39,882
Operating lease liabilities	—	163,680
Advertising expense	—	12
Total deferred tax assets	**10,624,602**	**1,264,260**
Deferred tax liabilities		
Intangible assets recognized from acquisition of Beijing Deran	(209,612)	—
Operating lease right of use assets	—	(167,888)
Deferred tax assets	**10,414,990**	**1,096,372**
Less: Valuation allowance	(8,430,810)	(919,935)
Deferred tax assets, net	**$ 1,984,180**	**$ 176,437**

The rollforward of valuation allowance of deferred tax assets is as follows:

	June 30, 2022	June 30, 2021	June 30, 2020
Balance at beginning of the year	$ 919,935	$ 227,150	$ 105,619
Additions of valuation allowance	7,827,672	654,598	125,128
Foreign currency translation adjustments	(316,797)	38,187	(3,597)
Balance at end of the year	**$ 8,430,810**	**$ 919,935**	**$ 227,150**

The Company evaluates its valuation allowance requirements at end of each reporting period by reviewing all available evidence, both positive and negative, and considering whether, based on the weight of that evidence, a valuation allowance is needed. When circumstances cause a change in management's judgement about the realizability of deferred tax assets, the impact of the change on the valuation allowance is generally reflected in income from operations. The future realization of the tax benefit of an existing deductible temporary difference ultimately depends on the existence of sufficient taxable income of the appropriate character within the carryforward period available under applicable tax law.

As of June 30, 2022, 2021 and 2020, due to uncertainties surrounding future utilization on PRC subsidiaries, the VIE and VIE's subsidiaries accrued valuation allowance of $8,430,810, $919,935 and $227,150, respectively, against the deferred tax assets based upon management's assessment as to their realization.

The amount of cumulative net operating loss in 2022 and the year of expiration are as follows:

	Amount	Earliest year of expiration if not utilized
Tax jurisdiction		
PRC	**$ 18,366,570**	**2023**

Uncertain Tax Position

The PRC tax authorities conduct periodic and ad hoc tax filing reviews on business enterprises operating in the PRC after those enterprises complete their relevant tax filings. In general, the PRC tax authorities have up to five years to conduct examinations of the tax filings of the Company's PRC entities. Accordingly, the PRC subsidiaries' tax years ended on December 31, 2017 through 2021 remain open to examination by the respective tax authorities. It is therefore uncertain as to whether the PRC tax authorities may take different views about the Company's PRC entities' tax filings, which may lead to additional tax liabilities.

The Company evaluates each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measures the unrecognized benefits associated with the tax positions. As of June 30, 2022 and 2021, the Company did not have any significant unrecognized uncertain tax positions.

17 – EARNINGS (LOSS) PER SHARE

The following table sets forth the computation of basic earnings (loss) per share for the years ended June 30, 2022, 2021 and 2020:

	For the Years Ended June 30,		
	2022	2021	2020
Numerator:			
Net (Loss) Income attributable to BaiJiaYun Limited	$ **(12,814,988)**	$ **3,457,208**	$ **3,873,503**
Accretion of convertible redeemable preferred shares	(3,865,430)	(3,029,529)	(1,796,987)
Deemed dividends to convertible redeemable preferred shareholders	—	(2,084,786)	—
Net income attributable to BaiJiaYun Limited's preferred shareholders	—	—	(838,145)
Net (Loss) Income attributable to BaiJiaYun Limited's ordinary shareholders	**$ (16,680,418)**	**$ (1,657,107)**	**$ 1,238,371**
Denominator:			
Weighted average ordinary shares outstanding – basic and diluted	**44,069,300**	**41,204,669**	**38,417,461**
Earnings (loss) per share – basic and diluted	**$ (0.38)**	**$ (0.04)**	**$ 0.03**

Basic and diluted earnings (loss) per ordinary share is computed using the weighted average number of ordinary shares outstanding during the year. The effects of all outstanding convertible redeemable preferred shares, share options and RSUs were excluded from the computation of diluted earnings (loss) per share in each of the applicable years as their effects would be anti-dilutive during the respective year.

18 - COMMITMENTS AND CONTINGENCIES

From time to time, the Company may be involved in various legal actions arising in the ordinary course of business. The Company accrues costs associated with these matters when they become probable and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company did not have other significant commitments, long-term obligations, significant contingencies or guarantees as of June 30, 2022 and 2021.

19 - RELATED PARTY TRANSACTIONS

1) Nature of relationships with related parties

Name	Relationship with the Company
Gangjiang Li	Chairman of the Board, Chief Executive Officer
Beijing Deran Technology Co., Ltd. ("Beijing Deran")	Over which BaiJiaYun VIE owns 33.38% equity interest as of June 30, 2021, and 51% equity interest since March 24, 2022
Wuhan Qiyun Shilian Technology Co., Ltd. ("Wuhan Qiyun Shilian")	Over which BaiJiaYun VIE owns 15% equity interest
Chengdu Baijiayun Shilian Technology Co., Ltd. ("Chengdu BJY Shilian")	Controlled by Gangjiang Li before August 2021
Beijing Huatu Hongyang Education & Culture Co., Ltd. ("Beijing Huatu")	A preferred shareholder of the Company
Jinan Zhongshi Huiyun Technology Co., Ltd. (formerly known as "Jinan Huiyun Quantum Technology Co., Ltd.") ("Jinan Zhongshi Huiyun")	Controlled by Gangjiang Li
Beijing Credit Chain Technology Co., Ltd. ("Beijing Credit Chain")	Controlled by Qiong Ni, spouse of Gangjiang Li before April 19, 2022 and controlled by Gangjiang Li since April 19, 2022
Duo Duo International Limited	An ordinary shareholder of the Company
Shanghai Saimeite Software Technology Co., Ltd. ("Shanghai Saimeite"	Controlled by Gangjiang Li
Saimeite Software Technology Co., Ltd. ("Saimeite")	Controlled by Gangjiang Li
Nanjing Shilian Technology Co., Ltd. ("Nanjing Shilian")	Controlled by Gangjiang Li
Nanjing Jiashilian Venture Capital Center (Limited Partnership) ("Nanjing Jiashilian VC")	Controlled by Gangjiang Li
Beijing Jiani Jiarui Consulting Management Center (Limited Partnership) ("Beijing Jiani Jiarui")	Controlled by Gangjiang Li
Beijing Xinda Kechuang Technology Co., Ltd. ("Beijing Xinda Kechuang")	Controlled by Gangjiang Li
Beijing Xiaodu Mutual Entertainment Technology Co., Ltd. ("Beijing Xiaodu")	A 7.13% shareholder of the VIE before September 2020

2) Transactions with related parties

During the years ended June 30, 2022, 2021 and 2020, the transactions with related parties were as follows:

Sales to related parties

	For the Years Ended June 30,		
	2022	2021	2020
Beijing Huatu	$ 1,485,054	$ 1,163,752	$ 2,110,589
Shanghai Saimeite	79,694	—	—
Beijing Xiaodu	—	—	1,622,267
Nanjing Shilian	—	—	336,386
	$ 1,564,748	**$ 1,163,752**	**$ 4,069,242**

Purchase from related parties

	For the Years Ended June 30,		
	2022	2021	2020
Jinan Zhongshi Huiyun	$ 3,345	$ —	$ —
Beijing Deran	—	2,005	—
Wuhan BaiJiaShiLian [1]	—	—	427
	$ 3,345	**$ 2,005**	**$ 427**

(1) The Company acquired Wuhan BaiJiaShiLian in September 2021. Before the acquisition, Wuhan BaiJiaShiLian was a subsidiary of Jinan Zhongshi Huiyun.

As of June 30, 2022 and 2021, the balances with related parties were as follows:

	June 30, 2022	June 30, 2021
Accounts Receivable - related party		
Shanghai Saimeite	**$** 95,549	$ —
	$ 95,549	$ —
Prepayments - related party		
Jinan Zhongshi Huiyun	$ 313,678	$ 328,755
	$ 313,678	**$ 328,755**
Advance from customers - related parties		
Beijing Huatu	$ 254,113	$ 1,706,224
Saimeite	14,792	—
	$ 268,905	**$ 1,706,224**
Due from related parties [5]		
Wuhan Qiyun Shilian [1]	$ 89,578	$ 464,641
Chengdu BJY Shilian	—	97,575
Beijing Huatu	—	1,581
	$ 89,578	**$ 563,797**
Due to related parties [5]		
Gangjiang Li [2]	$ 10,000,000	$ 100,304
Beijing Credit Chain [3]	1,492,961	—
Duo Duo International Limited [4]	1,500,000	—
Beijing Deran	—	387,975
	$ 12,992,961	**$ 488,279**
Deferred revenue – related party		
Beijing Huatu	**$** 63,911	$ 180,779
	$ 63,911	**$ 180,779**

(1) In February 2021, BaiJiaYun VIE made an interest-free loan of $453,028 to Wuhan Qiyun Shilian to support its working capital as the related party just commenced its operations. The loan was originally payable in February 2022 and was extended to February 2023 subsequently. The loan was fully collected as of July 22, 2022. In addition, in March 2022, the Company entered into a line of credit agreement with Wuhan Qiyun Shilian under which Wuhan Qiyun Shilian may borrow an aggregate of approximately $0.3 million (or RMB2 million) for working capital needs. Borrowings under the line of credit are non-secured and interest-free. No amount is currently outstanding under the line of credit as of June 30, 2022.

(2) In July 2021, the Company borrowed $2.1 million from Gangjiang Li. The borrowing is non-secured, interest-free and due on December 31, 2021. The borrowing is repaid in full in December 2021. In January 2022, the Company borrowed $10 million from Gangjiang Li. The borrowing is non-secured, interest-free and due on January 28, 2022. The borrowing is repaid in full in January 2022. In April 2022, the Company borrowed $10 million from Gangjiang Li. The borrowing is non-secured, interest-free and due on December 31, 2022. The borrowing is repaid in full in July 2022.
(3) In April 2022, the Company borrowed approximately $1.5 million (or RMB10 million) from Beijing Credit Chain. The borrowing is non-secured, interest-free and due on July 31, 2022. The borrowing is repaid in full in July 2022.
(4) In February 2022, the Company borrowed $4 million from Duo Duo international Limited and its shareholder, Xin Zhang. The borrowing is non-secured, interest-free and due on February 28, 2023. The borrowing is repaid in full in February 2022. In April 2022, the Company borrowed $1.5 million from Duo Duo International Limited. The borrowing is non-secured, interest-free and due on July 31, 2022. The borrowing is repaid in full in October 2022.
(5) Represented the outstanding loans to or loan from these related parties as of June 30, 2022 and 2021. These borrowings are non-secured and interest-free. The Company also conducted the following borrowings and lending transactions with related parties:

In November 2021 and December 2021, the Company entered into two loan agreements with Jinan Zhongshi Huiyun to borrow approximately $0.9 million (or RMB6 million), and approximately $0.4 million (or RMB2.6 million), respectively. These two loans were non-secured, interest-free and due on November 30, 2021 and December 31, 2021, respectively. The Company fully paid the loan in November 2021 and December 2021, respectively.

In December 2021 and April 2022, the Company entered into two loan agreements with Nanjing Jiashilian VC to borrow approximately $1.2 million (or RMB8 million) and approximately $9.1 million (or RMB60 million), respectively. These two loans were non-secured, interest-free and due on December 31, 2021 and April 30, 2022, respectively. The Company fully paid the loan in December 2021 and April 2022, respectively.

In October 2021, the Company entered into a loan agreement with Beijing Jiani Jiarui to lend approximately $6.0 million (or RMB40 million), which was non-secured, interest-free and due on November 30, 2021. The Company received full repayment in November 2021.

In April 2022, the Company entered into a loan agreement with Beijing Xinda Kechuang to lend approximately $6.0 million (or RMB40 million) with fixed interest rate of 4% per annum, which was non-secured and due on June 29, 2022. The Company received full repayment in April 2022.

20 - SUBSEQUENT EVENTS

The Company evaluated subsequent events from July 1, 2022 through January 20, 2023, which is the date the consolidated financial statements are issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements other than as disclosed below.

- Plan of Merger with Fuwei Film (Holdings) Co., Ltd.

In July 2022, the Board of Directors of the Company approved that the Company enter into an agreement and plan of merger with Fuwei Film (Holdings) Co., Ltd. (“FFHL”), pursuant to which the Company will merge with a wholly-owned subsidiary of FFHL, with the Company being the surviving entity (the “Merger”), and the issued and outstanding share capital of the Company will be cancelled in exchange for newly issued shares of FFHL. The Merger was consummated on December 23, 2022. Immediately after the Merger, the securities issued and outstanding of FFHL included: (i) 29,201,849 class A ordinary shares, (ii) 54,583,957 class B ordinary shares, and (iii) warrants to subscribe for 17,964,879 class A ordinary shares. The warrants were issued by FFHL to certain preferred shareholders in lieu of the execution of the automatic conversion of certain preferred shares previously issued by the Company due to the Company’s need to complete necessary administrative registration required under Chinese regulations of outbound direct investments (“ODI”) for these shareholders to hold equity interest in FFHL.

- Disposal of VIE's Subsidiary

In September 2022, the Company completed the disposal of 100% equity interest of Wuhan BaiJiaYun with a cash consideration of $279,581 (RMB1,800,000). Upon closing, the Company no longer has any involvement in the operation of Wuhan BaiJiaYun. The disposal of this subsidiary did not represent a strategic shift that had a major effect on the Company's operations and financial results.

- Change of WFOE

On January 2, 2023, BaiJiaYun WFOE, the Company's subsidiary, terminated its VIE Agreements with BaiJiaYun VIE and the shareholders of BaiJiaYun VIE. As a result, BaiJiaYun WFOE will no longer exercise effective control over, or receive substantially all of economics benefits of the VIE and its subsidiaries. On the same date, Zhejiang Baijiashilian Technology Co., Ltd. ("Zhejiang WFOE"), a wholly-owned subsidiary of the Company established in December 2022, entered into a series of agreements, including exclusive technical and consulting services agreement, powers of attorney, exclusive options agreements and equity interest pledge agreement (collectively referred as the "New VIE Agreements") with BaiJiaYun VIE and the shareholders of BaiJiaYun VIE to provide Zhejiang WFOE with the power, rights and obligations equivalent in all material aspects to those it would possess as the sole equity holder of BaiJiaYun VIE, including absolute control rights and the rights to the management operations, assets, property and revenue of BaiJiaYun VIE. The purpose of the New VIE agreements is solely to give Zhejiang WFOE the controlling financial interest over BaiJiaYun VIE's management and operations. The key terms of the New VIE Agreements are substantially similar to the VIE agreements signed with BaiJiaYun WFOE. The transaction of change of WFOE was under common control.

- Issuance of Ordinary Shares

Subject to the Board of Directors resolution on August 15, 2022 and the Chairman resolution dated on August 16, 2022, the Company issued 31,283,756 ordinary shares of the Company to the existing shareholders of ordinary and preferred shares. The total number of ordinary shares outstanding, assuming all preferred shares has been converted to ordinary shares, will be 126,144,178 shares after the issuance. No cash or other consideration was paid for the issuance of the ordinary shares. 7,568,651 of the ordinary shares issued to one shareholder is subject to a repurchase provision, where the Company will repurchase the shares at nil consideration if the Company does not complete the qualified IPO within six months from resolution date.

- Loans with Related Party

In July 2022, the Company borrowed $10,000,000 from Gangjiang Li. The borrowing is non-secured, interest free and due on December 31, 2022, and was repaid by the Company in full in December 2022.

In October 2022, the Company borrowed $5,000,000 from Gangjiang Li. The borrowing is non-secured, interest free and due on December 31, 2022 and was repaid by the Company in full in December 2022.

21 – PARENT ONLY FINANCIAL STATEMENTS

The condensed financial information has been prepared using the same accounting policies as set out in the consolidated financial statements except that the equity method has been used to account for investments in the Company's subsidiaries, VIE and VIE's subsidiaries. For the parent company, the Company records its investments in subsidiaries, VIE and VIE's subsidiaries under the equity method of accounting as prescribed in ASC 323, "Investments-Equity Method and Joint Ventures". Such investments are presented on the Condensed Balance Sheets as "Investments in subsidiaries, VIE and VIE's subsidiaries" and the subsidiaries profit as "Loss from investment in subsidiaries, VIE and VIE's subsidiaries" on the Condensed Statements of Operations and Comprehensive Income (loss).

BaiJiaYun is a Cayman Islands company and, therefore, is not subjected to income taxes for all years presented. The subsidiaries did not pay any dividend to the Company for the year presented. As of June 30, 2022, there were no material commitments or contingencies, significant provisions for long-term obligations or guarantees of the Company, except for those which have been separately disclosed in the consolidated financial statements, if any.

As the parent company was not in existence until April 22, 2021, and the VIE Agreements were not signed until September 7, 2021, financial statements of the parent company are not required as of June 30, 2021 and during the years ended June 30, 2021 and 2020.

Condensed balance sheets of the parent company

	June 30, 2022
ASSETS	
Current Assets	
Cash and cash equivalents	$ 98,722
Prepaid expenses and other current assets, net	304,700
Total Current Assets	**403,422**
Due from subsidiaries, VIE and VIE's subsidiaries	79,961,457
Total Non-Current Assets	**79,961,457**
Total Assets	**$ 80,364,879**
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY	
Current Liabilities	
Due to related party	$ 10,000,000
Due to subsidiaries, VIE and VIE's subsidiaries	2,000,000
Accrued expenses and other liabilities	1,304
Total Current Liabilities	**12,001,304**
Deficit of investments in subsidiaries, VIE and VIE's subsidiaries	11,601,329
Total Non-Current Liabilities	**11,601,329**
Total Liabilities	**23,602,633**
Series Seed convertible redeemable preferred shares (par value $0.0001 per share, 4,675,347 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	1,078,376
Series A convertible redeemable preferred shares (par value $0.0001 per share, 5,205,637 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	3,135,822
Series A-1 convertible redeemable preferred shares (par value $0.0001 per share, 5,202,768 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	6,591,553
Series A-2 convertible redeemable preferred shares (par value $0.0001 per share, 3,540,046 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	4,629,590
Series A-3 convertible redeemable preferred shares (par value $0.0001 per share, 3,789,358 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	4,843,169
Series B convertible redeemable preferred shares (par value $0.0001 per share, 11,047,269 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	23,676,836
Series B+ convertible redeemable preferred shares (par value $0.0001 per share, 5,424,746 shares authorized, issued and outstanding as of June 30, 2022 and June 30, 2021, respectively)	12,707,581
Series C convertible redeemable preferred shares (par value $0.0001 per share, 2,419,909 shares and nil shares authorized, issued and outstanding as of June 30, 2022 and 2021, respectively)	12,205,835
Total Mezzanine Equity	**68,868,762**
SHAREHOLDERS' EQUITY	
Ordinary shares (par value $0.0001 per share, 458,694,920 shares authorized, 44,069,300 shares issued and outstanding as of June 30, 2022)	4,407
Additional paid-in capital	5,656,757
Statutory reserve	919,407
Accumulated deficit	(18,411,335)
Accumulated other comprehensive loss	(275,752)
Total Shareholders' Deficit Attributable to BaiJiaYun Limited	**(12,106,516)**
Total Liabilities, Mezzanine Equity and Shareholders' Deficit	**$ 80,364,879**

Condensed statement of comprehensive loss

	For the year ended June 30, 2022
Operating expenses	
General and administrative expenses	$ (505,186)
Total operating expenses	**(505,186)**
Loss from operations	**(505,186)**
Loss from investment in subsidiaries	(12,309,802)
Net Loss attributable to BaiJiaYun Limited	**(12,814,988)**
Accretion of convertible redeemable preferred shares	(3,865,430)
Net Loss Attributable to BaiJiaYun Limited's Ordinary Shareholders	**(16,680,418)**
Net Loss	**(12,814,988)**
Other Comprehensive Loss	
Foreign currency translation adjustments	(294,062)
Total Comprehensive Loss	**(13,109,050)**
Accretion of convertible redeemable preferred shares	(3,865,430)
Comprehensive Loss Attributable to BaiJiaYun Limited's Ordinary Shareholders	**$ (16,974,480)**

Condensed statement of cash flows

	For the year ended June 30, 2022
Net cash used in operating activities	$ (21,708,583)
Net cash used in investing activities	$ —
Net cash provided by financing activities	$ 21,807,305
Net increase in cash, cash equivalents and restricted cash	$ 98,722
Cash, cash equivalents and restricted cash at beginning of the year	$ —
Cash, cash equivalents and restricted cash at end of the year	$ 98,722

Exhibit 1.1

THE COMPANIES ACT (AS REVISED)
EXEMPTED COMPANY LIMITED BY SHARES

THE THIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF

Baijiayun Group Ltd
百家云集团有限公司
(Adopted by way of a special resolution passed on September 24, 2022 and effective on December 23, 2022)

1. The name of the Company is **Baijiayun Group Ltd** and its dual foreign name is 百家云集团有限公司.

2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted.

4. Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Act (As Revised).

5. Nothing in this Memorandum shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licensed.

6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.

8. The authorized share capital of the Company is US$2,231,734,400 divided into 4,300,000,000 ordinary shares of a par value of US$0.519008 each comprising (a) 2,000,000,000 class A ordinary shares of a par value of US$0.519008 each and (b) 2,300,000,000 class B ordinary shares of a par value of US$0.519008 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Act (As Revised) and the Articles of Association of the Company and for the Board to have power in accordance with Articles 8 and 18 of the Articles of Association to reclassify any unissued shares and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.

9. The Company may exercise the power contained in the Companies Act (as amended) to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction.

The Companies Act (As Amended)
Exempted Company Limited by Shares

THE SECOND AMENDED AND RESTATED

ARTICLES OF ASSOCIATION
OF

Baijiayun Group Ltd
百家云集团有限公司
(Adopted by way of a special resolution passed on September 24, 2022 and effective on December 23, 2022)

INDEX

INTERPRETATION

TABLE A

1 The regulations in Table A in the Schedule to the Companies Act (2022 Revision) do not apply to the Company.

INTERPRETATION

2 (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

WORD	MEANING
"Affiliate"	means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of a natural Person, the term "Affiliate" also includes, without limitation, such Person's spouse, parents, children, siblings, whether by blood, marriage or adoption or anyone residing in such person's home, and the Affiliates of one or more of the foregoing individuals and/or such Person. The term "Control" shall mean the ownership, directly or indirectly, of securities or interests possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity, or having the power to direct or cause the direction of the management or elect or cause the election of a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity, whether through the ability to exercise voting power, by contract or otherwise.
"Audit Committee"	the audit committee of the Company formed by the Board pursuant to Article 123 hereof, or any successor audit committee.
"Auditor"	the independent auditor of the Company which shall be an internationally recognized firm of independent accountants.
"Articles"	these Articles in their present form or as supplemented or amended or substituted from time to time.
"Board" or "Directors" or "Board of Directors"	the board of directors of the Company or the directors present at a meeting of directors of the Company at which a quorum is present.
"capital"	the share capital from time to time of the Company.
"class" or "classes"	any class or classes of shares as may from time to time be issued by the Company.
"Class A Ordinary Share"	class A ordinary share of a par value of US$0.519008 each of the Company having the rights provided for in these Articles.
"Class B Ordinary Share"	class B ordinary share of a par value of US$0.519008 each of the Company having the rights provided for in these Articles.

"clear days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"clearing house"	a clearing house recognised by the laws of the jurisdiction in which the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction.
"Closing"	has the meaning ascribed to it under the Merger Agreement between the Company and Baijiayun Limited dated July 18, 2022.
"Company"	Baijiayun Group Ltd 百家云集团有限公司, formerly known as Fuwei Films (Holdings) Co., Ltd. 富維薄膜(控股)有限公司
"competent regulatory authority"	a competent regulatory authority in the territory where the shares of the Company (or depositary receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such territory.
"debenture" and "debenture holder"	include debenture stock and debenture stockholder respectively.
"Designated Stock Exchange"	the Global Market, the Global Select Market or the Capital Market of The Nasdaq Stock Market, Inc., the American Stock Exchange, the New York Stock Exchange or the Over-the-Counter Bulletin Board, provided, however, that until the Shares are listed on any such "Exchange" the rules of any such Designated Stock Exchange shall be inapplicable to these Articles of Association of the Company.
"dollars" and "$"	dollars, the legal currency of the United States of America.
"electronic communication"	a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other electron magnetic means in any form through any medium.
"electronic meeting"	a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.

"hybrid meeting"	a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.
"Meeting Location"	has the meaning given to it in Article 71A.
"Exchange Act"	the Securities Exchange Act of 1934, as amended.
"head office"	such office of the Company as the Directors may from time to time determine to be the principal office of the Company.
"Act"	The Companies Act (2022 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof.
"Member"	a duly registered holder from time to time of the shares in the capital of the Company.
"Memorandum of Association" or "Memorandum"	the memorandum of association of the Company.
"month"	a calendar month.
"Notice"	written notice unless otherwise specifically stated and as further defined in these Articles.
"Office"	the registered office of the Company for the time being.
"ordinary resolution"	a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than ten (10) clear days' Notice has been duly given;
"paid up"	paid up or credited as paid up.
"physical meeting"	a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.
"Principal Meeting Place"	shall have the meaning given to it in Article 66(2).

"Register"	the principal register and where applicable, any branch register of Members of the Company to be maintained at such place within or outside the Cayman Islands as the Board shall determine from time to time.
"Registration Office"	in respect of any class of share capital such place as the Board may from time to time determine to keep a branch register of Members in respect of that class of share capital and where (except in cases where the Board otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered.
"SEC"	the United States Securities and Exchange Commission.
"Seal"	common seal or any one or more duplicate seals of the Company (including a securities seal) for use in the Cayman Islands or in any place outside the Cayman Islands.
"Secretary"	any person, firm or corporation appointed by the Board to perform any of the duties of secretary of the Company and includes any assistant, deputy, temporary or acting secretary.
"special resolution"	a resolution shall be a special resolution when it has been passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than ten (10) clear days' Notice, specifying (without prejudice to the power contained in these Articles to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than ten (10) clear days' Notice has been given;

	a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.
"Statutes"	the Act and every other law of the legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its Memorandum of Association and/or the Articles.
"year"	a calendar year.

(2) In these Articles, unless there be something within the subject or context inconsistent with such construction:

(a) words importing the singular include the plural and vice versa;

(b) words importing a gender include both genders and the neuter;

(c) words importing persons include companies, associations and bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive;
(ii) "shall" or "will" shall be construed as imperative;

(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with all applicable Statutes, rules and regulations;

(f) references to any law, ordinance, statute or statutory provision shall be interpreted as relating to any statutory modification or re-enactment thereof for the time being in force;

(g) save as aforesaid words and expressions defined in the Statutes shall bear the same meanings in these Articles if not inconsistent with the subject in the context;

(h) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic communication or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;

(i) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Article 71E;

(j) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;

(k) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and

(l) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.

SHARE CAPITAL

3 (1) The share capital of the Company at the date on which these Articles come into effect shall be US$2,231,734,400 divided into 4,300,000,000 ordinary shares of a par value of US$0.519008 each comprising (a) 2,000,000,000 Class A Ordinary Shares of a par value of US$0.519008 each and (b) 2,300,000,000 Class B Ordinary Shares of a par value of US$0.519008 each.

(2) Subject to the Act, the Memorandum of Association and the Articles and, where applicable, the rules of the Designated Stock Exchange and/or any competent regulatory authority, any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit.

(3) No share shall be issued to bearer.

ALTERATION OF CAPITAL

4 The Company may from time to time by ordinary resolution in accordance with the Act alter the conditions of Memorandum of Association to:

(a) increase its share capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;

(b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(c) without prejudice to the powers of the Board under Article 18, divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that, for the avoidance of doubt, where a class of shares has been authorized by the Company no resolution of the Company in general meeting is required for the issuance of shares of that class and the Directors may issue shares of that class and determine such rights, privileges, conditions or restrictions attaching thereto as aforesaid, and further provided that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;

(e) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided.

5 The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

6 The Company may from time to time by special resolution, subject to any confirmation or consent required by the Act, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.

7 Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Articles with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.

SHARE RIGHTS

8 Subject to the provisions of the Act, the rules of the Designated Stock Exchange and the Memorandum of Association and Articles and to any special rights conferred on the holders of any shares or class of shares, and without prejudice to Article 18 hereof, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine, including without limitation on terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

9 Subject to the Act, any preferred shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by the Memorandum of Association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Board, either generally or with regard to specific purchases. If purchases are by tender, tenders shall comply with applicable laws.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

10 Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all matters submitted to a vote by the Members. Each Class A Ordinary Share shall be entitled to one (1) vote on all matters subject to vote by the Members whether at general meetings of the Company or otherwise, and each Class B Ordinary Share shall be entitled to 15 votes on all matters subject to vote by the Members whether at general meetings of the Company or otherwise. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into fully paid Class A Ordinary Shares on a one to one basis.

11 Any number of Class B Ordinary Shares held by a holder thereof will be automatically and immediately converted into an equal number of fully paid Class A Ordinary Shares on a one to one basis upon the occurrence of any of the following:

(1) any direct or indirect sale, transfer, assignment or disposition of such number of Class B Ordinary Shares by the holder thereof or an Affiliate of such holder or the direct or indirect transfer or assignment of the voting power attached to such number of Class B Ordinary Shares through voting proxy or otherwise to any person or entity that is not an Affiliate of such holder; for the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B Ordinary Shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party that is not an Affiliate of such holder holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related Class B Ordinary Shares, in which case all the related Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares; or

(2) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, a holder of Class B Ordinary Shares that is an entity to any person or entity that is not an Affiliate of such holder; for the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on the issued and outstanding voting securities of a holder of Class B Ordinary Shares that is an entity to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition under this clause (2) unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party that is not an Affiliate of such holder holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related issued and outstanding voting securities or the assets.

12 Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Ordinary Share as a Class A Ordinary Share.

13 Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

14 Save and except for voting rights and conversion rights as set out in Articles 10 to 13 (inclusive), the Class A Ordinary Shares and the Class B Ordinary Shares shall rank *pari passu* and shall have the same rights, preferences, privileges and restrictions.

VARIATION OF RIGHTS

15 Subject to the Act and without prejudice to Article 8, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply, but so that:

(a) the necessary quorum (whether at a separate general meeting or at its adjourned meeting) shall be a person or persons (or in the case of a Member being a corporation, its duly authorized representative) together holding or representing by proxy not less than one-third in nominal value of the issued shares of that class;

(b) every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and

(c) any holder of shares of the class present in person or by proxy or authorised representative may demand a poll.

16 For the purposes of convening and holding a meeting pursuant to the preceding Article, the Directors may treat all the classes or any two or more classes as forming one class if they consider that the variation or abrogation of the rights attached to such classes proposed for consideration at such meeting is the same variation or abrogation for all such relevant classes, but in any other case shall treat them as separate classes.

17 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking pari passu therewith.

SHARES

18 (1) Subject to the Act, these Articles and, where applicable, the rules of the Designated Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount to their par value. The Board may authorise the division of shares into any number of classes and the different classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), privileges, preferences, restrictions and payment obligations as between the different classes (if any) may be fixed and determined by the Board. In particular and without prejudice to the generality of the foregoing, the Board is hereby empowered to authorize by resolution or resolutions from time to time the issuance of one or more classes or series of preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series (but not below the number of shares of any class or series of preferred shares then outstanding) to the extent permitted by Law. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any class or series of preferred shares may, to the extent permitted by law, provide that such class or series shall be superior to, rank equally with or be junior to the preferred shares of any other class or series.

(2) Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any class or series of preferred shares, no vote of the holders of preferred shares of or ordinary shares shall be a prerequisite to the issuance of any shares of any class or series of the preferred shares authorized by and complying with the conditions of the Memorandum of Association and Articles.

(3) The Board may issue options, warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

(4) In order to comply with the rules and regulations of the Designated Stock Exchange, and subject to the Act, the Company is authorized to issue shares electronically, in an uncertificated form, and permit the electronic transfer of shares and permit the electronic direct registration of securities in the name of any Member on the register of members of the Company which may be kept by is authorized agent.

19 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or partly in one and partly in the other.

20 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

21 Subject to the Act and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.

SHARE CERTIFICATES

22 Every share certificate shall be issued under the Seal or a facsimile thereof and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.

23 (1) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

(2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

24 Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class.

25 Every person whose name is entered, upon an allotment of shares, as a Member in the Register shall be entitled, without payment, to receive one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board from time to time determines.

26 Share certificates shall be issued within the relevant time limit as prescribed by the Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.

27 (1) Upon every transfer of shares the certificate held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and a new certificate shall be issued to the transferee in respect of the shares transferred to him at such fee as is provided in paragraph (2) of this Article. If any of the shares included in the certificate so given up shall be retained by the transferor a new certificate for the balance shall be issued to him at the aforesaid fee payable by the transferor to the Company in respect thereof.

(2) The fee referred to in paragraph (1) above shall be an amount not exceeding the relevant maximum amount as the Designated Stock Exchange may from time to time determine provided that the Board may at any time determine a lower amount for such fee.

28 If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the relevant Member upon request and on payment of such fee as the Company may determine and, subject to compliance with such terms (if any) as to evidence and indemnity and to payment of the costs and reasonable out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the Company provided always that where share warrants have been issued, no new share warrant shall be issued to replace one that has been lost unless the Board has determined that the original has been destroyed.

LIEN

29 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.

30 Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

31 The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

32 Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.

33 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.

34 A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.

35 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.

36 No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.

37 On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Member sued, in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

38 Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

39 On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

40 The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one month's Notice of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared.

FORFEITURE OF SHARES

41 (1) If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) clear days' Notice:

(a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and

(b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.

(2) If the requirements of any such Notice are not complied with, any share in respect of which such Notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.

42 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

43 The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture will include surrender.

44 Any share so forfeited shall be deemed the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines.

45 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Article any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.

46 A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

47 Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

48 The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.

49 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

REGISTER OF MEMBERS

50 (1) The Company shall keep in one or more books a Register of its Members and shall enter therein the following particulars, that is to say:

(a) the name and address of each Member, the number and class of shares held by him and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register; and

(c) the date on which any person ceased to be a Member.

(2) The Company may keep an overseas or local or other branch register of Members resident in any place, and the Board may make and vary such regulations as it determines in respect of the keeping of any such register and maintaining a Registration Office in connection therewith.

51 The Register and branch register of Members, as the case may be, shall be open to inspection for such times and on such days as the Board shall determine by Members without charge or by any other person, upon a maximum payment of $2.50 or such other sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of $1.00 or such other sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of the Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

RECORD DATES

52 For the purpose of determining the Members entitled to notice of or to vote at any general meeting, or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board may fix, in advance, a date as the record date for any such determination of Members, which date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other such action.

If the Board does not fix a record date for any general meeting, the record date for determining the Members entitled to a notice of or to vote at such meeting shall be at the close of business on the day next preceding the day on which notice is given, or, if in accordance with these Articles notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If corporate action without a general meeting is to be taken, the record date for determining the Members entitled to express consent to such corporate action in writing, when no prior action by the Board is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Company by delivery to its head office. The record date for determining the Members for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of the Members of record entitled to notice of or to vote at a meeting of the Members shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

TRANSFER OF SHARES

53 Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

54 The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee in any case which it thinks fit in its discretion to do so. Without prejudice to the last preceding Article, the Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.

55 (1) The Board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four joint holders or a transfer of any share (not being a fully paid up share) on which the Company has a lien.

(2) The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch register or any share on any branch register to the Register or any other branch register. In the event of any such transfer, the shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.

(3) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the Act.

56 Without limiting the generality of the last preceding Article, the Board may decline to recognise any instrument of transfer unless:

(a) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable or such lesser sum as the Board may from time to time require is paid to the Company in respect thereof;

(b) the instrument of transfer is in respect of only one class of share;

(c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

(d) if applicable, the instrument of transfer is duly and properly stamped.

57 If the Board refuses to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

58 The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper or any other newspapers or by any other means in accordance with the requirements of the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.

TRANSMISSION OF SHARES

59 If a Member dies, the survivor or survivors where the deceased was a joint holder, and his legal personal representatives where he was a sole or only surviving holder, will be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article will release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

60 Any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Articles relating to the transfer and registration of transfers of shares shall apply to such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by such Member.

61 A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Article 82(2) being met, such a person may vote at meetings.

UNTRACEABLE MEMBERS

62 (1) Without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

(2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers to be made in accordance with the requirements of, the Designated Stock Exchange of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "relevant period" means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

(3) To give effect to any such sale the Board may authorise some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former Member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

GENERAL MEETINGS

63 An annual general meeting of the Company shall be held in each year other than the year of the Company's incorporation at such time and place as may be determined by the Board.

64 Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Article 71A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.

65 A majority of the Board or the Chairman of the Board may call extraordinary general meetings, which extraordinary general meetings shall be held at such times and locations (as permitted hereby) as such person or persons shall determine.

NOTICE OF GENERAL MEETINGS

66 (1) An annual general meeting and any extraordinary general meeting may be called by not less than ten (10) clear days' Notice but a general meeting may be called by shorter notice, subject to the Act, if it is so agreed:

(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.

(2) The notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 71A, the principal place of the meeting (the "Principal Meeting Place"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered as the meeting. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

67 The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

68 (1) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of:

(a) the declaration and sanctioning of dividends;

(b) consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet;

(c) the election of Directors;

(d) appointment of Auditors (where special notice of the intention for such appointment is not required by the Act) and other officers;

(e) the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors; and

(f) the granting of any mandate or authority to the Directors to repurchase securities of the Company.

(2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. At any general meeting of the Company, two (2) Members entitled to vote and present in person or by proxy or (in the case of a Member being a corporation) by its duly authorised representative representing not less than thirty three and one third (33 1/3) percent of the total outstanding voting shares in the Company throughout the meeting shall form a quorum for all purposes.

69 If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place and in such form and manner referred to in Article 64 as the chairman of the meeting (or in default, the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

70 The chairman of the Company shall preside as chairman at every general meeting. If at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.

71 Subject to Article 71C, the chairman may adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting), but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice of the adjourned meeting shall be given specifying the details set out in Article 66(2) but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice of an adjournment.

71A (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.

(2) All general meetings are subject to the following and, where appropriate, all references to a "Member" or "Members" in this sub-paragraph (2) shall include a proxy or proxies respectively:

(a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

(b) Members present in person or by proxy at a Meeting Location and/or Members attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;

(c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting;

(d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

71B The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

71C If it appears to the chairman of the general meeting that:

(a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 71A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or

(b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or

(c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or

(d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

71D The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

71E If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:

(a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);

(b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;

(c) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 71, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and

(d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.

71F All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 71C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.

71G Without prejudice to other provisions in Article 71, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

72 If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

VOTING

73 Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles (including Article 10), at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

(a) by the chairman of such meeting; or

(b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

(c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or

(d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

74 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

75 If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the chairman to disclose the voting figures on a poll.

76 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.

77 The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

78 On a poll votes may be given either personally or by proxy.

79 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

80 All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Act. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.

81 Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

82 (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting or postponed meeting, or poll, as the case may be.

(2) Any person entitled under Article 60 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

83 No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.

84 If:

(a) any objection shall be raised to the qualification of any voter; or

(b) any votes have been counted which ought not to have been counted or which might have been rejected; or

(c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or postponed meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

85 Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.

86 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.

87 (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.

(2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting or postponed meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

88 Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.

89 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) two hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, or the taking of the poll, at which the instrument of proxy is used.

90 Anything which under these Articles a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Articles relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.

CORPORATIONS ACTING BY REPRESENTATIVES

91 (1) Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class ofMembers. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.

(3) Any reference in these Articles to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Article.

NO ACTION BY WRITTEN RESOLUTIONS OF MEMBERS

92 Any action required or permitted to be taken at any annual or extraordinary general meetings of the Company may be taken only upon the vote of the Members at an annual or extraordinary general meeting duly noticed and convened in accordance with these Articles and the Act and may not be taken by written resolution of Members without a meeting.

BOARD OF DIRECTORS

93 (1) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two (2).

(2) Subject to the Articles and the Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Board.

(3) Subject to Article 93(1), the Directors shall have the power to determine the maximum number of Directors. The Directors shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

(4) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Members or re-appointment by the Board.

(5) No Director shall be required to hold any shares of the Company by way of qualification and a Director who is not a Member shall be entitled to receive notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.

(6) Subject to any provision to the contrary in these Articles, a Director may be removed by way of an ordinary resolution of the Members at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).

(7) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting.

(8) The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall never be less than two (2).

DISQUALIFICATION OF DIRECTORS

94 The office of a Director shall be vacated if the Director:

(1) resigns his office by notice in writing delivered to the Company at the Office or tendered at a meeting of the Board;

(2) becomes of unsound mind or dies;

(3) without special leave of absence from the Board, is absent from meetings of the Board for six consecutive months and the Board resolves that his office be vacated; or

(4) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(5) is prohibited by law from being a Director; or

(6) ceases to be a Director by virtue of any provision of the Statutes or is removed from office pursuant to these Articles.

EXECUTIVE DIRECTORS

95 The Board may from time to time appoint any one or more of its body to be a managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period (subject to their continuance as Directors) and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director. A Director appointed to an office under this Article shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.

96 Notwithstanding Articles 97 and 98, an executive director appointed to an office under Article 95 hereof shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time determine, and either in addition to or in lieu of his remuneration as a Director.

DIRECTORS' FEES AND EXPENSES

97 The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting and shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Board in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. Such remuneration shall be deemed to accrue from day to day. Each Director shall be entitled to be repaid or prepaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred by him in attending meetings of the Board or committees of the board or general meetings or separate meetings of any class of shares or of debenture of the Company or otherwise in connection with the discharge of his duties as a Director.

98 Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration provided for by or pursuant to any other Article.

DIRECTORS' INTERESTS

99 A Director may:

(a) hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine. Any remuneration (whether by way of salary, commission, participation in profits or otherwise) paid to any Director in respect of any such other office or place of profit shall be in addition to any remuneration provided for by or pursuant to any other Article;

(b) act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm may be remunerated for professional services as if he were not a Director;

(c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

Notwithstanding the foregoing, no "Independent Director" as defined in rules of the Designated Stock Exchange or in Rule 10A-3 under the Exchange Act, and with respect of whom the Board has determined constitutes an "Independent Director" for purposes of compliance with applicable law or the Company's listing requirements, shall without the consent of the Audit Committee take any of the foregoing actions or any other action that would reasonably be likely to affect such Director's status as an "Independent Director" of the Company.

100 Subject to the Act and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 101 herein. Any such transaction that would reasonably be likely to affect a Director's status as an "Independent Director.

101 A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

(a) he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm; or

(b) he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

102 Following a declaration being made pursuant to the last preceding two Articles, subject to any separate requirement for Audit Committee approval under applicable law or the listing rules of the Company's Designated Stock Exchange, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum at such meeting.

GENERAL POWERS OF THE DIRECTORS

103 (1) The business of the Company shall be managed and conducted by the Board, which may pay all expenses incurred in forming and registering the Company and may exercise all powers of the Company (whether relating to the management of the business of the Company or otherwise) which are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

(2) Any person contracting or dealing with the Company in the ordinary course of business shall be entitled to rely on any written or oral contract or agreement or deed, document or instrument entered into or executed as the case may be by any two of the Directors acting jointly on behalf of the Company and the same shall be deemed to be validly entered into or executed by the Company as the case may be and shall, subject to any rule of law, be binding on the Company.

(3) Without prejudice to the general powers conferred by these Articles it is hereby expressly declared that the Board shall have the following powers:

(a) To give to any person the right or option of requiring at a future date that an allotment shall be made to him of any share at par or at such premium as may be agreed.

(b) To give to any Directors, officers or employees of the Company an interest in any particular business or transaction or participation in the profits thereof or in the general profits of the Company either in addition to or in substitution for a salary or other remuneration.

(c) To resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the Act.

104 The Board may establish any regional or local boards or agencies for managing any of the affairs of the Company in any place, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration (either by way of salary or by commission or by conferring the right to participation in the profits of the Company or by a combination of two or more of these modes) and pay the working expenses of any staff employed by them upon the business of the Company. The Board may delegate to any regional or local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than its powers to make calls and forfeit shares), with power to sub-delegate, and may authorise the members of any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

105 The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney or attorneys may, if so authorised under the Seal of the Company, execute any deed or instrument under their personal seal with the same effect as the affixation of the Company's Seal.

106 The Board may entrust to and confer upon a managing director, joint managing director, deputy managing director, an executive director or any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

107 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine. The Company's banking accounts shall be kept with such banker or bankers as the Board shall from time to time determine.

108 (1) The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit under the Company or any of its subsidiary companies) and ex-employees of the Company and their dependants or any class or classes of such person.

(2) The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable pensions or other benefits to employees and ex-employees and their dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependants are or may become entitled under any such scheme or fund as mentioned in the last preceding paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement, and may be subject or not subject to any terms or conditions as the Board may determine.

BORROWING POWERS

109 The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Act, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

110 Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

111 Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

112 (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the Members or otherwise, to obtain priority over such prior charge.

(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Act, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the Act in regard to the registration of charges and debentures therein specified and otherwise.

PROCEEDINGS OF THE DIRECTORS

113 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

114 A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board of which notice may be given in writing or by telephone or in such other manner as the Board may from time to time determine whenever he shall be required so to do by the president or chairman, as the case may be, or any Director.

115 (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two (2). An alternate Director shall be counted in a quorum in the case of the absence of a Director for whom he is the alternate provided that he shall not be counted more than once for the purpose of determining whether or not a quorum is present.

(2) Directors may participate in any meeting of the Board by means of a conference telephone or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.

(3) Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of such Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

116 The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

117 The Chairman of the Board shall be the chairman of all meetings of the Board. If the Chairman of the Board is not present at any meeting within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

118 A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

119 (1) The Board may delegate any of its powers, authorities and discretions to committees (including, without limitation, the Audit Committee), consisting of such Director or Directors and other persons as it thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

(2) All acts done by any such committee in conformity with such regulations, and in fulfilment of the purposes for which it was appointed, but not otherwise, shall have like force and effect as if done by the Board, and the Board (or if the Board delegates such power, the committee) shall have power to remunerate the members of any such committee, and charge such remuneration to the current expenses of the Company.

120 The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article, indicating, without limitation, any committee charter adopted by the Board for purposes or in respect of any such committee.

121 A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors and for this purpose a facsimile signature of a Director shall be treated as valid.

122 All acts bona fide done by the Board or by any committee or by any person acting as a Director or members of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

AUDIT COMMITTEE

123 Without prejudice to the freedom of the Directors to establish any other committees, for so long as the shares of the Company (or depositary receipts therefor) are listed or quoted on the Designated Stock Exchange, the Board shall establish and maintain an audit committee as a committee of the Board, the composition and responsibilities of which shall comply with the rules of the Designated Stock Exchange and the rules and regulations of the SEC.

124 (1) The Board shall adopt a formal written audit committee charter and review and assess the adequacy of the formal written charter on an annual basis.

(2) The Audit Committee shall meet at least once every financial quarter, or more frequently as circumstances dictate.

125 For so long as the shares of the Company (or depositary receipts therefor) are listed or quoted on the Designated Stock Exchange, the Company shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee for the review and approval of potential conflicts of interest. Specially, the Audit Committee shall approve any transaction or transactions between the Company and any of the following parties: (i) any shareholder owning an interest in the voting power of the Company or any subsidiary of the Company that gives such shareholder significant influence over the Company or any subsidiary of the Company, (ii) any director or executive officer of the Company or any subsidiary of the Company and any relative of such director or executive officer, (iii) any person in which a substantial interest in the voting power of the Company is owned, directly or indirectly, by any person described in (i) or (ii) or over which such a person is able to exercise significant influence, and (iv) any affiliate (other than a subsidiary) of the Company.

OFFICERS

126 (1) The officers of the Company shall consist of the Chairman of the Board, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Articles.

(2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one Director is proposed for this office, the election to such office shall take place in such manner as the Directors may determine.

(3) The officers shall receive such remuneration as the Directors may from time to time determine.

127 (1) The Secretary and additional officers, if any, shall be appointed by the Board and shall hold office on such terms and for such period as the Board may determine. If thought fit, two or more persons may be appointed as joint Secretaries. The Board may also appoint from time to time on such terms as it thinks fit one or more assistant or deputy Secretaries.

(2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Act or these Articles or as may be prescribed by the Board.

128 The officers of the Company shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Directors from time to time.

129 A provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

REGISTER OF DIRECTORS AND OFFICERS

130 The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the Act or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the Act.

MINUTES

131 (1) The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of officers;

(b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings of each general meeting of the Members, meetings of the Board and meetings of committees of the Board and where there are managers, of all proceedings of meetings of the managers.

(2) Minutes shall be kept by the Secretary at the Office.

SEAL

132 (1) The Company may have one or more Seals, as the Board may determine. For the purpose of sealing documents creating or evidencing securities issued by the Company, the Company may have a securities seal which is a facsimile of the Seal of the Company with the addition of the word "Securities" on its face or in such other form as the Board may approve. The Board shall provide for the custody of each Seal and no Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed autographically by one Director and the Secretary or by two Directors or by such other person (including a Director) or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. Every instrument executed in manner provided by this Article shall be deemed to be sealed and executed with the authority of the Board previously given.

(2) Where the Company has a Seal for use abroad, the Board may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such Seal and the Board may impose restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such other Seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

133 Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and if any books, records, documents or accounts are elsewhere than at the Office or the head office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person so appointed by the Board. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

DESTRUCTION OF DOCUMENTS

134 (1) The Company shall be entitled to destroy the following documents at the following times:

(a) any share certificate which has been cancelled at any time after the expiry of one (1) year from the date of such cancellation;

(b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate variation cancellation or notification was recorded by the Company;

(c) any instrument of transfer of shares which has been registered at any time after the expiry of seven (7) years from the date of registration;

(d) any allotment letters after the expiry of seven (7) years from the date of issue thereof; and

(e) copies of powers of attorney, grants of probate and letters of administration at any time after the expiry of seven (7) years after the account to which the relevant power of attorney, grant of probate or letters of administration related has been closed;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to be made on the basis of any such documents so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that: (1) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim; (2) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (1) above are not fulfilled; and (3) references in this Article to the destruction of any document include references to its disposal in any manner.

(2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.

DIVIDENDS AND OTHER PAYMENTS

135 Subject to the Act, the Company in general meeting or the Board may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

136 Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. The Board may also declare and pay dividends out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Act.

137 Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:

(a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and

(b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

138 The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

139 The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

140 No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

141 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

142 All dividends or bonuses unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

143 Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of paid up shares, debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

144 (1) Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("the non-elected shares") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

(b) that the Members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' Notice to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the share election has been duly exercised ("the elected shares") and in lieu thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

(2)(a) The shares allotted pursuant to the provisions of paragraph (1) of this Article shall rank pari passu in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (a) or (b) of paragraph (2) of this Article in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (1) of this Article shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this Article, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

(3) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (1) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

(4) The Board may on any occasion determine that rights of election and the allotment of shares under paragraph (1) of this Article shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.

(5) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

RESERVES

145 (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the Act. The Company shall at all times comply with the provisions of the Act in relation to the share premium account.

(2) Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

CAPITALISATION

146 The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

147 The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Article and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

SUBSCRIPTION RIGHTS RESERVE

148 The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Act:

(1) If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:

(a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article) maintain in accordance with the provisions of this Article a reserve (the "Subscription Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

(b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;

(c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrantholder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:

(i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

(ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrantholders; and

(d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrantholder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrantholder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrantholder upon the issue of such certificate.

(2) Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (1) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

(3) The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrantholder or class of warrantholders under this Article without the sanction of a special resolution of such warrantholders or class of warrantholders.

(4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrantholders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrantholders and shareholders.

ACCOUNTING RECORDS

149 The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

150 The accounting records shall be kept at the Office or, at such other place or places as the Board decides and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting.

151 Subject to Article 157 and only if required by the rules of the Designated Stock Exchange, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least ten (10) days before the date of the general meeting and laid before the Company at the annual general meeting held in accordance with Article 62 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

152 Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 155 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

153 The requirement to send to a person referred to in Article 155 the documents referred to in that article or a summary financial report in accordance with Article 157 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 155 and, if applicable, a summary financial report complying with Article 157, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

AUDIT

154 Subject to applicable law and rules of the Designated Stock Exchange:

(1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

(2) A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than fourteen (14) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor.

(3) The Members may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.

155 Subject to the Act the accounts of the Company shall be audited at least once in every year.

156 The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

157 If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and determine the remuneration of such Auditor.

158 The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto; and he may call on the Directors or officers of the Company for any information in their possession relating to the books or affairs of the Company.

159 The statement of income and expenditure and the balance sheet provided for by these Articles shall be examined by the Auditor and compared by him with the books, accounts and vouchers relating thereto; and he shall make a written report thereon stating whether such statement and balance sheet are drawn up so as to present fairly the financial position of the Company and the results of its operations for the period under review and, in case information shall have been called for from Directors or officers of the Company, whether the same has been furnished and has been satisfactory. The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor shall be submitted to the Members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the Auditor should disclose this act and name such country or jurisdiction.

NOTICES

160 Any Notice or document, whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

161 Any Notice or other document:

(a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

(c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and

(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

162 (1) Any Notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

(2) A notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the

purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred. (3) Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

SIGNATURES

163 For the purposes of these Articles, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director in the terms in which it is received.

WINDING UP

164 (1) The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

(2) A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

165 (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the Members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed pari passu amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, a nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

(2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(3) In the event of winding-up of the Company in the People's Republic of China, every Member of the Company who is not for the time being in the People's Republic of China shall be bound, within 14 days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding-up of the Company, to serve notice in writing on the Company appointing some person resident in the People's Republic of China and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding-up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.

INDEMNITY

166 (1) The Directors, Secretary and other officers and every Auditor for the time being of the Company following the Closing and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company following the Closing and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

(2) Each Member agrees to waive any claim or right of action he might have, whether individually or by or in the right of the Company, against any Director on account of any action taken by such Director following the Closing, or the failure of such Director to take any action in the performance of his duties with or for the Company following the Closing; PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director.

AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION AND NAME OF COMPANY

167 No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the Memorandum of Association or to change the name of the Company.

INFORMATION

168 No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

FINANCIAL YEAR

169 Unless otherwise determined by the Directors, the financial year end of the Company shall be 31 of December in each year.

Exhibit 2.1

BAIJIAYUN GROUP LTD
百家云集团有限公司

Number Class A Ordinary Shares

Incorporated under the laws of the Cayman Islands

Share capital is **US$2,231,734,400** divided into 4,300,000,000 shares comprising of
(i) **2,000,000,000 Class A Ordinary Shares** of a par value of **US$0.519008** each and
(ii) **2,300,000,000 Class B Ordinary Shares** of a par value of **US$0.519008** each

THIS IS TO CERTIFY THAT is the registered holder of Class A Ordinary Shares in the above-named Company subject to the Memorandum and Articles of Association thereof.

EXECUTED on behalf of the said Company on the day of by:

DIRECTOR _____

Exhibit 2.2

Description of rights of securities
registered under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act")

The Class A ordinary shares, par value US$0.519008 per share ("Class A ordinary shares") of Baijiayun Group Ltd ("we," "us," "our company" or "our") are listed on The Nasdaq Capital Market and the Class A ordinary shares are registered under Section 12(b) of the Securities Exchange Act of 1934. This exhibit contains a description of the rights of the holders of Class A ordinary shares.

Description of Class A Ordinary Shares

We were incorporated under the laws of the Cayman Islands as an exempted company with limited liability. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

The following is a summary of material provisions of our currently effective third amended and restated memorandum of association and second amended and restated articles of association (the "memorandum and articles of association") as well as the Companies Act (As Revised) of the Cayman Islands (the "Companies Act") insofar as they relate to the material terms of our Class A ordinary shares. As it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire memorandum and articles of association, which has been filed with the Securities and Exchange Commission (the "SEC") as an exhibit to our transition report on Form 20-F (File No. 001-33176) filed with the SEC on January 20, 2023.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Each ordinary share has a par value of US$0.519008 per share. The respective number of our ordinary shares that have been issued as of the end of the fiscal year is provided on the cover of the Form 20-F filed with the SEC (the "Form 20-F"). Our ordinary shares may be held in either certificated or uncertificated form. Certificates representing the ordinary shares are issued in registered form. We may not issue shares to bearer. Our shareholders may freely hold and transfer their ordinary shares.

We have a dual-class voting structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall entitle the holder thereof to 15 votes on all matters subject to the vote at general meetings of our company. Due to the super voting power of Class B ordinary share holder, the voting power of the Class A ordinary shares may be materially limited. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

Preemptive Rights (Item 9.A.3 of Form 20-F)

There are no pre-emption rights applicable to the issue of new shares under either Cayman Islands law or our memorandum and articles of association.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

We have a dual-class voting structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall entitle the holder thereof to 15 votes on all matters subject to the vote at general meetings of our company. Due to the super voting power of Class B ordinary share holder, the voting power of the Class A ordinary shares may be materially limited. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Class A Ordinary Shares (Item 10.B.3 of Form 20-F)

Protection of Minority Shareholders

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one-fifth of our shares in issue, appoint an inspector to examine our affairs and report thereon in a manner as the Grand Court shall direct.

Any shareholder may petition the Grand Court of the Cayman Islands, which may make a winding-up order if the court is of the opinion that it is just and equitable that we should be wound up. Where our shareholders have presented any such petition, the Grand Court is permitted to make alternative order to a winding-up order, including orders regulating the conduct of our affairs in the future, requiring us to refrain from doing an act complained of by the petitioner or for the purchase of our shares by us or another shareholder.

Claims against us by our shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our memorandum and articles of association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against, or derivative actions in our name to challenge:

- an act which is ultra vires or illegal;
- an act which constitutes a fraud against the minority shareholder and the wrongdoers are themselves in control of us; and,
- an irregularity in passing a resolution that requires a qualified (or special) majority.

Transfer of Shares

Subject to any applicable restrictions set forth in our memorandum and articles of association, any of our shareholders may transfer all or any of his or her shares by an instrument of transfer in the usual or common form or in any form prescribed by the Nasdaq Capital Market or in any other form which our directors may approve. You should note that, under Cayman Islands law, a person whose name is entered on the register of members will be deemed to be a member or shareholder of our company. We have designated American Stock Transfer and Trust Company as our share registrar.

Our directors may decline to register any transfer of any share which is not paid up or on which we have a lien. Our directors may also decline to register any transfer of any share unless:

- the instrument of transfer is lodged with us accompanied by the certificate for the shares to which it relates, and such other evidence as our directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is duly and properly stamped (in circumstances where stamping is required); and
- a fee of such maximum sum as the Nasdaq Global Market may at any time be determined to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall send to each of the transferors and the transferee notice of such refusal within two months after the date on which the instrument of transfer was lodged.

The registration of transfers may, on notice being given by advertisement in such one or more newspapers or by any other means in accordance with any requirements of the Nasdaq Capital Market, be suspended and the register closed at such times and for such periods as our directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our directors may determine.

Share Repurchase

We are empowered by the Companies Act and our memorandum and articles of association to purchase our own shares, subject to certain restrictions. Our directors may only exercise this power on our behalf, subject

to the Companies Act, our memorandum and articles of association, and to any applicable requirements imposed from time to time by the SEC, the Nasdaq Capital Market, or by any recognized stock exchange on which our securities are listed.

Dividends

Subject to the Companies Act, we may declare dividends in any currency to be paid to our shareholders. Dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits that our directors determine is no longer needed. Our board of directors may also declare and pay dividends out of the share premium account or any other fund or account that can be authorized for this purpose in accordance with the Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides, (1) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid upon a share in advance of calls shall be treated for this purpose as paid up on that share; and, (2) all dividends shall be apportioned and paid pro-rata according to the amounts paid upon the shares during any portion or portions of the period in respect of which the dividend is paid.

Our directors may also pay any dividend that is payable on any shares semi-annually or on any other dates, whenever our financial position, in the opinion of our directors, justifies such payment.

Our directors may deduct from any dividend or other money payable to any shareholder all sums of money (if any) presently payable by such shareholder to us on account of calls or otherwise.

No dividend or other money payable by us on or in respect of any share shall bear interest against us.

In respect of any dividend proposed to be paid or declared on our share capital, our directors may resolve and direct that: (1) such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that our shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof if our directors so determine) in cash in lieu of such allotment, or (2) the shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our directors may think fit. We may also, on the recommendation of our directors, resolve in respect of any particular dividend that, notwithstanding the foregoing, it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right of shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest, or other sum payable in cash to any shareholder may be paid by check or warrant sent by mail addressed to the shareholder at his registered address or addressed to such person and at such addresses as the shareholder may direct. Every check or warrant shall, unless the shareholder or joint shareholders otherwise direct, be made payable to the order of the shareholder or, in the case of joint shareholders, to the order of the shareholder whose name stands first on the register in respect of such shares and shall be sent at their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to us.

All dividends unclaimed by shareholders for one year after having been declared may be invested or otherwise made use of by our board of directors for the benefit of our company until claimed. Any dividend unclaimed by shareholders after a period of six years from the date of declaration of such dividend may be forfeited and, if so forfeited, shall revert to us. The payment by our board of directors of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute us a trustee in respect thereof.

Whenever our directors have resolved that a dividend be paid or declared, our directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and, in particular, paid-up shares, debentures, or warrants to subscribe for our securities or securities of any other company. Where any difficulty arises regarding such distribution, our directors may settle it as they think expedient. In particular, our directors may issue fractional certificates, ignore fractions altogether or round the same up or down, fix the value for distribution purposes of any such specific assets, determine that cash payments shall be made to any of our shareholders upon the footing of the value so fixed in order to adjust the rights of the parties, vest any such specific assets in trustees as may seem expedient to our directors, and appoint any person to sign any requisite instruments of transfer and other documents on behalf of a person entitled to the dividend, which appointment shall be effective and binding on our shareholders.

Untraceable Shareholders

We are entitled to sell any shares of a shareholder who is untraceable, provided that:

- all checks or warrants in respect of dividends of such shares, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of twelve years prior to the publication of the advertisement and during the three months referred to in the third bullet point below;

- we have not during that time received any indication of the whereabouts or existence of the shareholder or person entitled to such shares by death, bankruptcy or operation of law; and,

- we have caused an advertisement to be published in newspapers in the manner stipulated by our memorandum and articles of association, giving notice of our intention to sell these shares, and a period of three months has elapsed since such advertisement, and the Nasdaq Global Market has been notified of such intention.

The net proceeds of any such sale shall belong to us, and when we receive these net proceeds, we shall become indebted to the former shareholder for an amount equal to such net proceeds.

Issuance of Additional Ordinary Shares or Preference Shares

Subject to the Companies Act and the rules of the Nasdaq Capital Market and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, our board of directors may issue additional ordinary shares from time to time as our board of directors determines, to the extent of available authorized but unissued shares and establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms, and rights of that series, including:

- the designation of the series;

- the number of shares of the series;

- the dividend rights, conversion rights, voting rights; and,

- the rights and terms of redemption and liquidation preferences.

Subject to the foregoing, our board of directors may issue a series of preference shares without action by our shareholders to the extent authorized but unissued. Accordingly, the issuance of preference shares may adversely affect the rights of the holders of the ordinary shares. In addition, the issuance of preference shares may be used as an anti-takeover device without further action on the part of the shareholders. Issuance of preference shares may dilute the voting power of holders of ordinary shares.

Requirements to Change the Rights of Holders of Class A Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares

Except with respect to share capital, alterations to our memorandum and articles of association may only be made by special resolution of no less than two-thirds of votes cast at a meeting of the shareholders.

Subject to the Companies Act, all or any of the special rights attached to shares of any class (unless otherwise provided for by the terms of issue of the shares of that class) may be varied, modified, or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

The provisions of our memorandum and articles of association relating to general meetings shall apply similarly to every such separate general meeting, but the quorum for the purposes of any such separate general meeting or at its adjourned meeting shall be a person or persons together holding (or represented by proxy) not less than one third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by such holder and that any holder of shares of that class present in person or by proxy may demand a poll.

The special rights conferred upon the holders of any class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Limitations on the Rights to Own Class A Ordinary Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Anti-Takeover Provisions

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in our memorandum and articles of association that require our company to disclose shareholder ownership above any particularly ownership threshold.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act is modeled after similar laws in the United Kingdom but does not follow recent changes in United Kingdom laws. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States, such as in the State of Delaware.

Duties of Directors

Under Cayman Islands law, at common law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty has four essential elements:

- a duty to act in good faith in the best interests of the company;
- a duty not to personally profit from opportunities that arise from the office of the director;
- a duty to avoid conflicts of interest; and,
- a duty to exercise powers for the purpose for which such powers were intended.

In general, the Companies Act imposes various duties on officers of a company with respect to certain matters of management and administration of the company. The Companies Act contains provisions that impose default fines on persons who fail to satisfy those requirements. However, in many circumstances, an individual is only liable if he knowingly is guilty of the default or knowingly and willfully authorizes or permits the default.

In comparison, under Delaware law, the business and affairs of a corporation are managed by or under the direction of its board of directors. In exercising their powers, directors are charged with a fiduciary duty of care to protect the interests of the corporation and fiduciary duty of loyalty to act in the best interests of its shareholders. The duty of care requires that directors act in an informed and deliberative manner and inform themselves, of all material information reasonably available to them prior to making a business decision. The duty of care also requires that directors exercise care in overseeing and investigating the conduct of the corporation's employees. The duty of loyalty may be summarized as the duty to act in good faith, not out of self-interest, and in a manner that the director reasonably believes to be in the best interests of the shareholders.

Under Delaware law, a party challenging the propriety of a board of directors' decision bears the burden of rebutting the applicability of the presumptions afforded to directors by the "business judgment rule." If the presumption is not rebutted, the business judgment rule protects the directors and their decisions, and their business judgments will not be second-guessed. Where, however, the presumption is rebutted, the directors bear the burden of demonstrating the entire fairness of the relevant transaction. Notwithstanding the foregoing, Delaware courts subject directors' conduct to enhanced scrutiny in respect of defensive actions taken in response to a threat to corporate control and approval of a transaction resulting in a sale of control of the corporation.

Interested Directors

There are no provisions under the Companies Act requiring a director interested in a transaction entered into by a Cayman Islands company to disclose his interest. However, under our memorandum and articles of association, our directors are required to do so, and in the event that they do not do so, it may render such directors liable to such company for any profit realized pursuant to such transaction.

In comparison, under Delaware law, such a transaction would not be voidable if (1) the material facts as to such interested director's relationship or interests are disclosed or are known to the board of directors and the board in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, (2) such material facts are disclosed or are known to the shareholders entitled to vote on such transaction, and the transaction is specifically approved in good faith by vote of the shareholders, or (3) the transaction is fair as to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, a director could be held liable for any transaction in which such a director derived an improper personal benefit.

Voting Rights and Quorum Requirements

Under Cayman Islands law, shareholders' voting rights are regulated by the company's articles of association and, in certain circumstances, the Companies Act. The articles of association will govern matters such as quorum for the transaction of business, rights of shares, and majority votes required to approve any action or resolution at a meeting of the shareholders or board of directors. Under Cayman Islands law, certain matters must be approved by a special resolution which is defined as two-thirds of the votes cast by shareholders present at a meeting and entitled to vote or such higher majority as is specified in the articles of association; otherwise, unless the articles of association otherwise provide, the majority is usually a simple majority of votes cast.

In comparison, under Delaware law, unless otherwise provided in the corporation's certificate of incorporation, each shareholder is entitled to one vote for each share of stock held by the shareholder. Unless otherwise provided in the corporation's certificate of incorporation or bylaws, a majority of the shares entitled to vote, present in person or represented by proxy, constitutes a quorum at a meeting of shareholders. In matters other than the election of directors, with the exception of special voting requirements related to extraordinary transactions, the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote is required for shareholder action, and the affirmative vote of a plurality of shares is required for the election of directors.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless a court in the Cayman Islands waives this requirement.

Save in certain circumstances, a dissentient shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to a merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of appraisal rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

There are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement in question is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are present and voting either in person or by proxy at a meeting, or meetings convened for that purpose.

The convening of the meetings and, subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- the company is not proposing to act illegally, or ultra vires, and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such as a business person would reasonably approve; and,
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority."

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith, or collusion.

Cayman Islands laws do not require that shareholders approve sales of all or substantially all of a company's assets as is commonly adopted by U.S. corporations.

If the arrangement and reconstruction are thus approved, any dissenting shareholders would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissent shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

The Cayman Islands Grand Court Rules allow shareholders to seek to leave to bring derivative actions in the name of the Company against wrongdoers. In principle, we will normally be the proper plaintiff, a minority shareholder may not bring a derivative action. However, based on English authorities, who would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of its authority, could be affected duly if authorized by more than a simple majority vote which has not been obtained; and,
- those who control the company are perpetrating a "fraud on the minority."

Class actions and derivative actions are generally available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste, and actions not taken according to applicable law. In such actions, the court generally has the discretion to permit the winning party to recover attorneys' fees incurred in connection with such action.

Corporate Governance

Cayman Islands laws do not restrict transactions with directors, requiring only those directors to exercise a duty of care and owe a fiduciary duty to the companies for which they serve. Under our memorandum and articles of association, subject to any separate requirement for audit committee approval under the applicable rules of the Nasdaq Stock Market, Inc. or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of his interest in any contract or arrangement which he is interested in, such a director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum at such meeting.

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association provide for the indemnification of our directors, auditors and officers against all losses or liabilities incurred or sustained by him or her as a director, auditor, or officer of our company in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favor, or in which he or she is acquitted provided that this indemnity may not extend to any matter in respect of any fraud or dishonesty which may attach to any of these persons.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

We are managed by our board of directors. Our memorandum and articles of association provide that the number of our directors shall not be less than two unless otherwise determined by our shareholders in the general meeting. And subject to the forgoing, our board of directors shall have the power to determine the maximum number of directors. Currently, we have set our board of directors to have five directors. Any director on our board may be removed by way of an ordinary resolution of shareholders.

Subject to our memorandum and articles of association and the Companies Act, we may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing Board. Our board of directors shall have the power from time to time and at any time to appoint any person as a Director to fill a casual vacancy on the Board or as an addition to the existing board. Any director so appointed by the board shall hold office only until the next following annual general meeting of ours and shall then be eligible for re-election . An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the director, if any; but no such term shall be implied in the absence of express provision. Each director whose term of office expires shall be eligible for re-election at a meeting of the shareholders or re-appointment by the board.

Our directors are not required to hold any of our shares to be qualified to serve on our board of directors.

Meetings of our board of directors may be convened at any time deemed necessary by any of our directors. Advance notice of a meeting is not required if each director is entitled to attend consents to the holding of such meeting.

A meeting of our board of directors at which a quorum is present shall be competent to make lawful and binding decisions. At any meeting of our directors, each director is entitled to one vote.

Questions arising at a meeting of our board of directors are required to be decided by simple majority votes of the members of our board of directors present or represented at the meeting. In the case of a tie vote, the chairman of the meeting shall have a second or deciding vote. Our board of directors may also pass resolutions without a meeting by unanimous written consent.

Inspection of Corporate Records

Shareholders of a Cayman Islands company have no general right under Cayman Islands law to inspect or obtain copies of a list of shareholders or other corporate records of the company. However, these rights may be provided in the articles of association.

In comparison, under Delaware law, shareholders of a Delaware corporation have the right during normal business hours to inspect for any proper purpose, and to obtain copies of the list(s) of shareholders and other books and records of the corporation and its subsidiaries, if any, to the extent the books and records of such subsidiaries are available to the corporation.

Shareholder Proposals

The Companies Act does not provide shareholders any right to bring business before a meeting or requisition a general meeting. However, these rights may be provided in the articles of association.

Unless provided in the corporation’s certificate of incorporation or bylaws, Delaware law does not include a provision restricting the manner in which shareholders may bring business before a meeting.

Approval of Corporate Matters by Written Consent

The Companies Act allows a special resolution to be passed in writing if signed by all the shareholders and authorized by the articles of association.

In comparison, Delaware law permits shareholders to act by written consent signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of shareholders.

Calling of Special Shareholders Meetings

The Companies Act does not have provisions governing the proceedings of shareholders' meetings that are usually provided in the articles of association.

In comparison, Delaware law permits the board of directors or any person who is authorized under a corporation's certificate of incorporation or bylaws to call a special meeting of shareholders.

Staggered Board of Directors

The Companies Act does not contain statutory provisions that require staggered board arrangements for a Cayman Islands company. Such provisions, however, may validly be provided for in the articles of association.

In comparison, Delaware law permits corporations to have a staggered board of directors.

Anti-takeover Provisions

Neither Cayman Islands nor Delaware law prevents companies from adopting a wide range of defensive measures, such as staggered boards, blank check preferred, and removal of directors only for cause and provisions that restrict the rights of shareholders to call meetings, act by written consent and submit shareholder proposals.

Changes in Capital (Item 10.B.10 of Form 20-F)

Alteration of Capital

We may, from time to time, by ordinary resolution:

- increase our capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of our share capital by the amount of the shares so canceled subject to the provisions of the Companies Act;
- sub-divide our shares or any of them into shares of smaller amount than is fixed by our memorandum and articles of association, subject nevertheless to the Companies Act, and so that the resolution whereby any share is subdivided may determine that, as between the holders of the share resulting from

such subdivision, one or more of the shares may have any such preference or other special rights, or may have such deferred rights or be subject to any such restrictions as compared with, the others as we have the power to attach to unissued or new shares; and,

- divide shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares, attach to the shares respectively as preferential, deferred, qualified, or special rights, privileges, conditions, or such restrictions which, in the absence of any such determination in a general meeting, may be determined by our directors.

We may, by special resolution, subject to any confirmation or consent required by the Companies Act, reduce our share capital or any capital redemption reserve or other undistributable reserve in any manner authorized by law.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

Description of American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

Not applicable.

Exhibit 2.3

SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (this **"Agreement")** is entered on June 26, 2021, by and among:

1. Baijiayun Limited, a company incorporated under the Laws (as defined below) of Cayman Islands (the **"Company");**
2. Baijia Cloud Limited, a company incorporated under the Laws of Hong Kong (as defined below) and wholly owned by the Company (the **"HK Company");**
3. Beijing Baijiashilian Technology Co., Ltd. (北京百家视联科技有限公司), a limited liability company incorporated under the Laws of the PRC (the **"Baijiashilian");**
4. Gangjiang Li (李钢江), a citizen of the PRC with the ID number 430124197506130012 (the **"Founder");**
5. Jia Jia Ltd., a company incorporated under the laws of the British Virgin Islands and wholly owned by the Founder (the **"Founder Holding Company");**
6. Duo Duo International Limited, a company incorporated under the laws of British Virgin Islands;
7. Nuan Nuan Ltd, a company incorporated under the laws of British Virgin Islands (together with "Duo Duo International Limited" collectively the **"Senior Management Holding Companies");**
8. ABUNDANT MAGNUM LIMITED, a company incorporated under the laws of British Virgin Islands;
9. The Parties listed in Schedule I(i) (the **"Series A Investors");**
10. The Parties listed in Schedule I(ii) (the **"Series A+ Investors");**
11. The Parties listed in Schedule I(iii) (the **"Series B Investors");**
12. The Parties listed in Schedule I(iv) (the **"Series B+ Investors");** and
13. The Parties listed in Schedule I(v) (the **"Series C Investor",** together with Series A Investors, Series A+ Investors, Series B Investors, Series B+ Investors, collectively the **"Investors"** and each an **"Investor"**).

Each of the parties listed above referred to herein individually as a **"Party"** and collectively as the **"Parties".**

Capitalized terms used herein without definition shall have the meanings set forth in the Share Purchase Agreement (as defined below).

RECITALS

A The relevant Parties have entered into a Share Purchase Agreement (the **"Share Purchase Agreement")** on June 26, pursuant to which the Series C Investor has agreed to purchase from the Company, and the Company has agreed to sell to the Series C Investor, certain Series C Warrant (as defined below) of the Company on the term and conditions set forth therein.

B The Share Purchase Agreement provides that it shall be a condition precedent to the consummation of the transactions contemplated under the Share Purchase Agreement at the Closing that the Parties have entered into this Agreement.

C The relevant Parties have respectively entered into a Warrant Agreement on June 26 with the Company pursuant to which the holders of the Warrants are entitled to purchase certain Preferred Shares of the Company. For the purpose of this Agreement, subject to the applicable laws, each holder of the Warrants and the Series C Warrant shall be treated as a shareholder or an Investor as such holder have fully exercised the Warrant(s) or the Series C Warrant held by it.

D The Parties desire to enter into this Agreement and make their respective representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1 The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means, with respect to the Company and the HK Company, the International Financial Reporting Standards, and with respect to the WFOE and the Domestic Companies, the PRC GAAP, applied on a consistent basis.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of the Investor, the term "Affiliate" also includes (v) any shareholder of the Investor, (w) any of such shareholder's or Investor's general partners or limited partners, (x) the fund manager managing or advising such shareholder or the Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, and (y) trusts controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by the Investors. For the avoidance of doubt, no Investor shall be deemed to be an Affiliate of any Warrantor. In the case of a natural Person, the term "Affiliate" also includes, without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law.

"Agreement" has the meaning ascribed to it in the preamble.

"Arbitration Notice" has the meaning ascribed to it in Section 17.4(i).

"Associate" means, as to any body corporate, any other body corporate, unincorporated entity or person directly or indirectly Controlling, directly or indirectly Controlled by or under direct or indirect common Control with, such body corporate or, as to an individual, his spouse, parents, siblings and issues, and the spouses of such siblings and issues (collectively his "Relatives") and any company or trust which may be, directly or indirectly, Controlled by such individual (including any company or trust Controlled by any of his Relatives).

"Baijiashilian" has the meaning ascribed to it in the preamble.

"Board" or "Board of Directors" means the board of directors of the Company.

"Business" means the businesses of video SaaS/PaaS, video cloud and software, video AI and system solution conducted by the Group Companies.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in (v) the Cayman Islands, with respect to any action to be undertaken or notice to be given in the Cayman Islands, (w) the British Virgin Islands, with respect to any action to be undertaken or notice to be given in the British Virgin Islands or (x) the PRC, the U.S. or Hong Kong, with respect to any action to be undertaken or notice to be given in such jurisdiction.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, certificate of formation, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"Closing" shall have the meaning set forth in the Purchase Agreement.

"Company" has the meaning ascribed to it in the preamble.

"Company-led Exit Transaction" has the meaning ascribed to it in Section 4.1.

"Conversion Price" means the conversion price per share for the applicable Preferred Shares, which shall initially equal to the applicable Original Purchase Price and is subject to the adjustment provided under Section 10.3.

"Co-Sale Right Holder" has the meaning ascribed to it in Section 8.1.

"Co-Sale Participating Holder" has the meaning ascribed to it in Section 8.1.

"Co-Sale Notice" has the meaning ascribed to it in Section 8.1.

"Co-Sale Right Period" has the meaning ascribed to it in Section 8.1.

"Competitive Business" means any business which in any manner is the same as,

similar to or competing with the Business of the Company.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, purchasing arrangement and other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Conversion Shares" means Ordinary Shares issuable upon conversion of any Preferred Shares.

"Dachen Observer" has the meaning ascribed to it in Section 2.2.

"Deemed Liquidation Event" has the meaning ascribed to it in Section 9.3.

"Director" means a director serving on the Board.

"Disclosing Party" has the meaning ascribed to it in Section 15.3.

"Distributable Liquidation Property" has the meaning ascribed to it in Section 9.1.

"Dispute" has the meaning ascribed to it in Section 17.4(i).

"Domestic Company" means each of enterprises established under the Laws of the PRC and engaged in the Business, including Baijiashilian and its Subsidiaries, and collectively as "Domestic Companies".

"ESOP" means any stock option plan or equity incentive plan adopted by any Group Company from time to time in relation to the grant or issue of shares, stock options or any other securities to its employees, officers, directors, consultants and/or other eligible Persons. The Company shall reserve additional 9,486,042 Ordinary Shares for the ESOP immediately prior to the Completion, which represents 10% of the outstanding shares of the Company on a fully diluted and as converted basis, assuming full conversion of the Preferred Shares and full exercise of all outstanding options and other outstanding convertible and exercisable Securities (including without limitation the Warrants and the Series C Warrant), immediately after Closing. The grant of options or any other Equity Securities under the ESOP, the grant conditions and exercise price shall be approved by the Board of Directors.

"Equity Securities" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests,

equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"Exit Compensation" has the meaning ascribed to it in Section 4.2.

"Financing Terms" has the meaning ascribed to it in Section 15.1.

"Founder" has the meaning ascribed to it in the preamble.

"Founder Holding Company" has the meaning ascribed to it in the preamble.

"Governmental Authority" means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" means each of the Company and its Subsidiaries (including without limitation, the HK Company, the WFOE and the Domestic Companies), and "Group" refers to all of Group Companies collectively.

"Holders" means the holders of Registrable Securities who are parties to this Agreement from time to time, and their permitted transferees that become parties to this Agreement from time to time.

"Hong Kong" means the Hong Kong Special Administrative Region, the People's Republic of China.

"HK Company" has the meaning ascribed to it in the preamble.

"HKIAC" has the meaning ascribed to it in Section 17.4 (ii).

"HKIAC Rules" has the meaning ascribed to it in Section 17.4(ii).

"Huatu" means Huatu Hong Yang International Limited(华图宏阳国际有限公司) and Ronghe International Limited (容和国际有限公司).

"Huatu Director" has the meaning ascribed to it in Section 2.2.

"Indebtedness" of any Person means, without duplication, each of the following of such Person: (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (iv) all obligations

evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized in accordance with Accounting Standards, (vii) all obligations under banker's acceptance, letter of credit or similar facilities, (viii) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge or cap agreement, and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.

"Initial Investors" means IBettering International Group Limited, IGrowing International Group Limited, QF capital Limited, QF Group Limited, and Banyan Partners FundII, L.P..

"Initial Investor Director" has the meaning ascribed to it in Section 2.2.

"Intellectual Property" means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, and (vii) the goodwill symbolized or represented by the foregoing.

"Investor Director(s)" has the meaning ascribed to it in Section 2.2.

"Investors' Losses" has the meaning ascribed to it in Section 16.1.

"Investment Amount" means the consideration for the Shares paid by each shareholder. For the avoidance of doubt, for the shareholders except for the Series C Investor, the Investment Amount means the consideration paid by such shareholder or its Affiliates for the subscribed registered capital of Baijiashiilan.

"Jinpu Director" has the meaning ascribed to it in Section 2.2.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Memorandum and Articles" means the Second Amended and Restated Memorandum of Association of the Company and the Second Articles of Association of the Company, as each may be amended and/or restated from time to time.

"More Favorable Terms" has the meaning ascribed to it in Section 13.

"New Securities" has the meaning ascribed to it in Section 6.3.

"Non-compete Period" has the meaning ascribed to it in Section 14.2.

"Ordinary Director(s)" has the meaning ascribed to it in Section 2.2.

"Ordinary Share Equivalents" means any Equity Security which is by its terms convertible into or exchangeable or exercisable for Ordinary Shares or other share capital of the Company, including without limitation, the Preferred Shares.

"Ordinary Shares" means the Company's ordinary shares, par value US$0.0001 per share.

"Original Purchase Price" means the issue price of Shares, which is subject to adjustments for share dividends, splits, combinations and similar event and anti-dilution readjustment from time to time as hereinafter provided.

"Participation Notice" has the meaning ascribed to it in Section 6.4.

"Party/Parties" has the meaning ascribed to it in the preamble.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"PRC GAAP" means generally accepted accounting principles in PRC, as in effect from time to time.

"Preemptive Rights Holder" has the meaning ascribed to it in Section 6.1.

"Preemptive Right" has the meaning ascribed to it in Section 6.1.

"Preferred Majority" means the holders of at least fifty percent (50%) of the then issued and outstanding Preferred Shares, assuming the exercise of the Warrants and the Series C Warrant.

"Preferred Shares" means the Series A Preferred Shares, Series A+ Preferred Shares,

Series B Preferred Shares, Series B+ Preferred Shares, Series C Preferred Shares and Warrant Shares.

"Pro Rata Share" has the meaning ascribed to it in Section 6.2.

"Prior Shareholders Agreements" means the agreements entered into or other covenants agreed by and among the shareholders of Baijiashilian prior to the Closing Date in connection with the subjects as set forth hereunder, including without limitation the Series B+ Shareholders Agreement of Baijiashilian (有关北京百家视联科技有限公司之B+轮股东协议) entered by and among Baijiashilian and certain other parties thereto in September 2020.

"Qualified Exit Price" has the meaning ascribed to it in Section 4.6.

"Qualified IPO" means an underwritten public offering pursuant to a prospectus issued in connection with the initial public offering of the Shares and the listing of the Shares or backdoor listing (including through a SPAC Transaction) on The Stock Exchange of Hong Kong Limited, The New York Stock Exchange, NASDAQ or any other internationally recognised stock exchange, by which all the Shares held by the Series C Investor or the equity securities that all such Shares held by the Series C Investor shall be exchanged into on a pro rata basis in the SPAC Transaction shall be listed upon the closing of the Qualified IPO.

"Realized Value" has the meaning ascribed to it in Section 4.2.

"Redemption Events" has the meaning ascribed to it in Section 5.1.

"Redemption Notice" has the meaning ascribed to it in Section 5.3.

"Redemption Price" has the meaning ascribed to it in Section 5.1.

"Redemption Shares" has the meaning ascribed to it in Section 5.1.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate or Associate of any of the foregoing.

"Repurchase Obligors" means the Company, Baijiashilian, the Founder, the Founder Holding Company, the Senior Management Holding Companies, ABUNDANT MAGNUM LIMITED, IBettering International Group Limited and IGrowing International Group Limited.

"Right of First Refusal" has the meaning ascribed to it in Section 7.2.

"Right of First Refusal Holder" has the meaning ascribed to it in Section 7.2.

"Senior Management Holding Companies" has the meaning ascribed to it in the preamble.

"Series A Liquidation Preference" has the meaning ascribed to it in Section 9.1(iii).

"Series A Preferred Shares" means the series A preferred shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and this Agreement.

"Series A+ Preferred Shares" means the series A+ preferred shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and this Agreement.

"Series B Liquidation Preference" has the meaning ascribed to it in Section 9.1(ii).

"Series B Preferred Shares" means the series B preferred shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and this Agreement.

"Series B+ Preferred Shares" means the series B+ preferred shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and this Agreement.

"Series C Liquidation Preference" has the meaning ascribed to it in Section 9.1(i).

"Series C Preferred Shares" means the series C preferred shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and this Agreement.

"Series C Warrant" means the warrant agreement respectively entered into by and between the Company and the Series C Investor on or prior to the Closing, under which the Series C Investor is entitled to purchase the Series C Preferred Shares from the Company.

"Shares" means the Ordinary Shares and the Preferred Shares (including the Warrant Shares).

"SPAC Transaction" means a transaction or series of transactions which the Board designates as a SPAC Transaction, being a transaction or series of transactions which constitute the acquisition of the Company by, or merger of the Company with, a special purpose acquisition company or a new holding company that will be combining with the Company and a special purpose acquisition company and which results in the Company, or the Company which acquires or merges with the Company, being listed on an internationally recognized stock exchange or such other transaction as approved by the Board to be of similar effect;

"Statute" means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

"Transaction Documents" shall mean this Agreement, the Share Purchase Agreement and other documents as set forth in the definition of "Transaction Documents" in the Share Purchase Agreement.

"Transferee" has the meaning ascribed to it in Section 7.2.

"Transferred Shares" has the meaning ascribed to it in Section 7.2.

"Transfer Notice" has the meaning ascribed to it in Section 7.3.

"Transferor" has the meaning ascribed to it in Section 7.2.

"U.S." means the United States of America.

"Warrant(s)" means the warrant agreements respectively entered into by and between the Company and relevant parties on [*] 2021, under which the relevant parties are entitled to purchase certain Preferred Shares (as adjusted to share dividend, split, combination, recapitalization and other similar transactions) from the Company.

"Warrantor" means each of the Group Companies, the Founder, the Founder Holding Company, and the Senior Management Holding Companies, collectively, the "Warrantors".

"Warrant Shares" means the Preferred Shares that each holder of the Warrants and the Series C Warrant shall be entitled to purchase thereunder.

"WFOE" has the meaning ascribed to it in the Share Purchase Agreement.

1.2 Interpretation. For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (iii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (v) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (vii) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (viii) the term "or" is not exclusive, (ix) the term "including" will be deemed to be followed by ", but not limited to," (x) the terms "shall", "will", and "agrees" are mandatory, and the term "may" is permissive, (xi) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning, (xii) the expression "Investor(s)", "Holder", "Founder Holding Company" and "Founder" and "Investor(s)" shall, unless the context prohibits, include its respective successors, permitted transferees and assigns and any Persons deriving title under it, (xiii) the term "voting power" refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Memorandum and Articles, (xiv) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xv) references to laws include any such law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made, and (xvi) all references to dollars or to "US$" are to currency of the U.S. and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

2. Corporate Governance.

2.1 Shareholders' Meeting. In addition to any other vote or consent required elsewhere in this Agreement, the Memorandum and Articles or by any applicable statute, each

of the Group Companies shall not, directly or indirectly, carry out any of the following actions without the shareholders' resolutions, and in any case the following matters must be approved by the holders representing at least two thirds (2/3) of the voting rights of the shareholders attending the general meeting and the Preferred Majority:

(i) any increase or decrease in the number of authorized Ordinary Shares or Preferred Shares of the Company or share capital of any other Group Company (including but not limited to the issuance of any convertible bonds, options, warrants, and any other securities);

(ii) any acquisition, split, division, liquidation, dissolution, merger, reorganization, change of corporate form or sale of all or substantially all the assets of the Group Company;

(iii) any event that may result in the payment or declaration of any dividend on any Shares (other than pursuant to share splits effected in the form of share dividend and for which appropriate adjustments are made);

(iv) any alteration or change to the rights, preferences or privileges or powers of, or the restrictions provided for the benefit of, any Preferred Shares or any Investor;

(v) any adoption, amendment, alteration, repeal or waiver of any provision of the Memorandum and Articles of the Company or any similar organizational documents of any other Group Company;

(vi) the redemption or repurchase of any capital stock, other than repurchase from the optionees or awardees according to the ESOP or pursuant to the exercise of any redemption rights of any Investors in accordance with this Agreement;

(vii) any change of the controlling person or change of control of the Company;

(viii) determination of the listing place, timing, terms and conditions, valuation or selection of underwriters or intermediaries of an initial public offering; and

(ix) any increase or decrease in the size of the board of directors, changes to the members of the board of directors or delegating any matter to any committee of the board of directors;

(x) any act or omission that causes the above situation to occur.

Notwithstanding the foregoing, (i) if the Company intends to carry out the matters in Section 2.1 (iv) and Section 2.1(v) above (including any acts or omissions that cause such circumstances), which would adversely change the rights, preferences or privileges of any particular series of Preferred Shares, it may do so only with the approval of the holders of such affected series of Preferred Shares then issued and outstanding, assuming the exercise of the Warrants and the Series C Warrant; (ii) If the Company intends to carry out the matters in Section 2.1(vi) above (including any acts or omissions that cause such circumstances), it may do so only with the written consent of the Investors whose Shares are to be repurchased (if applicable).

2.2 Board of Directors.

(i) The Company shall have, and the Parties hereto agree to cause the Company to have, a Board consisting of seven(7) directors among whom, four(4) directors shall have been designated by the Founder (the **"Ordinary Directors"),** one (1) director shall have been designated by Huatu (the **"Huatu Director"**, as long as Huatu directly or indirectly hold no less than five percent (5%) of then total outstanding Shares on a fully diluted and as-converted basis at any time or from time to time after the date hereof), one (1) director shall have been designated by the Initial Investors (the **"Initial Investor Director",** as long as the Initial Investors directly or indirectly hold no less than five percent (5%) of then total outstanding Shares on a fully diluted and as-converted basis at any time or from time to time after the date hereof), one (1) director shall have been designated by the GP Hitech Holdings Limited (the **"Jinpu Director",** as long as the GP Hitech Holdings Limited directly or indirectly hold no less than five percent (5%) of then total outstanding Shares on a fully diluted and as-converted basis at any time or from time to time after the date hereof. Jinpu Director, together with the Huatu Director, Initial Investor Director, collectively the **"Investor Directors",** and each an **"Investor Director").** Dachen shall be entitled to appoint, replace and reappoint at any time or from time to time one (1) observer (the **"Dachen Observer")** on the Board, who shall be given by the Company copies of all notices, minutes, consents, and other materials that the Company provides to its directors at the same time and in the same manner as provided to such directors and be entitled to attend but not vote in all meetings of the Board.

In the event that any Investor holds more than five percent (5%) of then total outstanding Shares on a fully diluted and as-converted basis, such Investor shall be entitled to appoint, replace and reappoint one (1) director on the Board, for the avoidance of doubt, in the event that any Investor holds less than five percent (5%) of then total outstanding Shares on a fully diluted and as-converted basis, such Investor shall have no right to appoint any director. And at any time the Founder shall be entitled to appoint, replace, and reappoint one (1) more Ordinary Director than the Investor Directors.

(ii) Meetings of the Board shall be held once at least half a year, unless otherwise agreed by the directors. Subject to the Memorandum and Articles, the number of Directors necessary to constitute a quorum at any regular or extraordinary meeting of the Board of Directors shall be five directors (including the Investor Directors). Notwithstanding the foregoing, if notice of the board meeting has been duly delivered to all directors of the Board three (3) days prior to the scheduled meeting in accordance with the notice procedures under this Agreement twice, and any of Invest Director fails to be present without any reasonable reasons, then the present directors at such meeting of directors shall constitute a quorum. The meeting minutes of all board meetings shall be filed with the Company and a copy thereof shall be provided to each shareholder.

(iii) The Company shall serve three (3) days' prior written notice (or other notice period agreed by the Investor Directors) to each director prior to each meeting. Such notice shall specify the time, place and matters to be discussed and voted on. Any director may participate in such meeting in attendance in person, or by means of telephone, video conference or other medium of simultaneous voice communication, as long as everyone in the meeting can hear each other clearly, and such participation shall be deemed to constitute presence in person at the meeting. The Investor Director shall be entitled to appoint a proxy to attend the meeting of the Board of Directors on his or her behalf by giving a written notice to the Company, and the proxy so appointed shall be entitled to

attend the meeting of the Board of Directors and vote on the matters discussed thereat on behalf of the appointing party.

(iv) The Company will promptly pay or reimburse each Director for all reasonable out-of-pocket expenses incurred in connection with attending Board or committee meetings and otherwise performing their duties as Directors.

2.3 Acts of the Group Companies Requiring Approval of at least one Investor Director. For so long as the Investors hold any equity or share of the Company, the Group Companies shall not take any of the following actions without, in addition to any other authorizations or approvals required by applicable Laws and the Memorandum and Articles, the affirmative vote of more than two thirds (2/3) of all the directors (including at least one Investor Director):

(i) any material change, alteration to the scope of the Business, nature of Business or company name of any Group Company, termination of the current Business of any Group Company;

(ii) creation or authorization of the creation of any debt security, lien, pledge, charge, security interest or encumbrance of any kind (whether by way of fixed or floating charge, mortgage, encumbrance or other security) over any Group Company's assets except for trade accounts of any Group Company arising in the ordinary course of Business; transferring, licensing, selling, pledging or encumbering any assets of any Group Company outside the ordinary course of business;

(iii) any material financing issues;

(iv) any expenditures or transactions in excess of RMB 10 million individually or in the aggregate that are not covered by the quarterly financial budget approved by the Board;

(v) any external investment by the Group Companies in excess of RMB10 million in a single transaction or in excess of RMB30 million in a series related transactions in any fiscal year including without limitation investment in any corporation, partnership, trust, association or other entity and any acquisition, merger or acquisition;

(vi) any borrowing, assumption or occurrence of indebtedness in excess of RMB10 million individually, or incurrence of fixed asset expenditure in excess of RMB10 million individually;

(vii) approval, adoption or material alteration of annual business plan, investment plan, and financial budget (including any capital expenditure plan, operating budget and financial arrangements) and the financial settlement plan of the Group Companies;

(viii) any transactions between any Group Company and its shareholders, senior management or other Related Parties that exceeds RMB10 million individually or in the aggregate during any fiscal year;

(ix) any adoption or change of the size of the ESOP or any other equity incentive, purchase or participation plan for the benefit of any employees, officers, directors, contractors, advisors or consultants of any of the Group Companies;

(x) the initiation, conduct, settlement or abandoning of any material claim, litigation, arbitration or other proceedings involving any Group Company or any admission of liability by or on behalf of any Group Company in excess of RMB 10 million;

(xi) any appointment or removal of the auditor(s) of any Group Company, or any change in the accounting policies of any Group Company; and

(xii) any act or omission that causes the above situation to occur.

2.4 Qualification of Senior Management. The Parties represent and warrant that the qualifications of the nominated directors and senior managements of the Company shall comply with relevant Laws and regulations and there shall be no circumstance under which they will impede the Qualified IPO of the Company.

3. Qualified IPO

3.1 The Company and the Founder shall make the best efforts to achieve the Company's Qualified IPO after the Closing. The lock-up period of each Investor' equity after the Qualified IPO shall be implemented in the shortest period under relevant laws and regulations.

3.2 By the approval of the shareholders' meeting, the Company may implement a Qualified IPO plan. Once the Qualified IPO plan is implemented, all parties shall make the best efforts to cooperate with the Company in the implementation of the Qualified IPO plan, including, but is not limited to: (a) any reorganization of the Group Companies; (b) any amendment of this Agreement in accordance with the requirements of the listing rules or issuance of commitment, and (c) any amendment, release, termination or cessation of the special rights of the Investors pursuant to the listing rules at that time.

4. Exit Mechanism

4.1 After the Closing, if any Investor exits through the Company's Subsequent Financing, mergers and acquisitions, Qualified IPO or other transactions conducted by the resolutions of shareholders or the Board of Directors (the **"Company-led Exit Transaction")**, the Repurchase Obligors shall ensure that the Investor sells his shares in the Company at a consideration of not less than the Qualified Exit Price. For the purposes of this Section 4, Subsequent Financing means any issuance of New Securities (as defined below) after the Closing.

4.2 If any Investor sells its shares in the Company-led Exit Transaction at a consideration less than the Qualified Exit Price after the Closing, the Repurchase Obligors shall jointly and severally compensate such Investor in proportion to their respective relative shareholdings in an amount equals to the difference between the aggregate consideration actually received by the Investor for the sale of shares in the Company and the aggregate Qualified Exit Price corresponding to such shares (the **"Exit Compensation"),** and the maximum amount of the Exit Compensation paid by the Repurchase Obligors shall be limited to the consideration actually received by the Repurchase Obligors from the disposal of the

Ordinary Shares of the Company then held by the Repurchase Obligors at no less than the fair market value (the **"Realized Value").**

4.3 If an Investor requests the Repurchase Obligors to pay the Exit Compensation in accordance with Section 4.2, it shall give a written notice to the Repurchase Obligors, and the Repurchase Obligors shall, unconditionally pay the Exit Compensation in a lump sum to the bank account of the Investor as set forth in the notice within forty-five (45) Business Days after the Investor gives such notice.

4.4 If two or more Investors request the Repurchase Obligors to pay the Exit Compensation in accordance with Section 4, the payment of the Exit Compensation shall be made in the following order:

(i) the holders of Series C Preferred Shares shall be entitled to receive the Exit Compensation in preference to the holders of Series B Preferred Shares and the Series B+ Preferred Shares;

(ii) after the Exit Compensation of the holders of Series C Preferred Shares has been paid in full, the property of the Repurchase Obligors (if any) shall be used to pay the Exit Compensation of the holders of Series B Preferred Shares and Series B+ Preferred Shares;

(iii) after the Exit Compensation of the holders of Series B Preferred Shares and Series B+ Preferred Shares has been paid in full, the property of the Repurchase Obligor (if any) shall be used to pay the Exit Compensation of the holders of Series A+ Preferred Shares;

(iv) after the Exit Compensation of the holders of Series A+ Preferred Shares has been paid in full, the property of the Repurchase Obligors (if any) shall be used to pay the Exit Compensation of the holders of Series A Investors. If the property of the Repurchase Obligors (if any) is not sufficient to pay the Exit Compensation to the holders of Series A+ Preferred Shares and Series A Preferred Shares in full, the property of the Repurchase Obligors shall be paid to the holders of Series A+ Preferred Shares ratably in proportion to their respective Exit Compensation in the aggregate Exit Compensation in preference to the holders of Series A Preferred Shares.

4.5 After the exercise of its exit right under this Section 4, an investor shall continue to enjoy all rights of an Investor under this Agreement with respect to the Shares of the Company then held by such Investor so long as it still holds any equity interests or Shares in the Company.

4.6 For the purpose of this Section 4, the **"Qualified Exit Price"** shall mean the sale price of the Company's shares sufficient to provide the Investors with an internal rate of return of no less than 8% per annum, i.e. the Investment Amount corresponding to the Investor's Shares sold in the Company-led Exit Transaction plus an amount that would provide for a simple interest rate of 8% per annum (calculated on a daily basis during the period from the date when the Investment Amount paid by the Investor into any Group Company's account to the later of the date when the Investors actually receive the Qualified Exit Price or Exit Compensation).

5. Redemption Right

5.1 At any time after the earlier of the occurrence of any of the following circumstances (the **"Redemption Events"),** the Investors shall have the right to request the Company and the other shareholders of the Company to assist or cooperate in finding a third party to purchase part or all of the Shares held by the Investor at the price set forth in Section 5 (the **"Redemption Price"),** or to request the Repurchase Obligors to directly purchases part or all of the Shares then held by the Investors (the **"Redemption Shares"):**

(i) the Founder commits illegal acts or has material personal integrity problems;

(ii) the Founder loses the Control of the Company;

(iii) the Company's Business cannot be conducted normally due to regulatory reasons;

(iv) the Company breaches any of its obligations or liabilities to an Investor in Section 2.1 or 2.3 hereof; or

(v) any material breach of the Transaction Documents by the Founder (including, without limitation, the Transaction Documents contain any untrue, inaccurate, incomplete or materially misleading representations and warranties).

5.2 In the case of the Redemption Events under Section 5.1(i) and 5.1(v), the Repurchase Obligors other than the Founder shall have no repurchase obligation. In the event of a Redemption Event under Section 5.1(ii), 5.1(iii) and 5.1(iv), the maximum liability of each Repurchase Obligor under this Section 5 is limited to the Realized Value of Ordinary Shares then held by them.

5.3 In exercising the Redemption Right, the Investor shall give a written notice (the **"Redemption Notice")** to the Company, and the Repurchase Obligors, who shall unconditionally pay the corresponding Redemption Price in a lump sum to the Investor's bank account as set forth in the Redemption Notice within forty-five (45) Business Days after the Investor gives the Redemption Notice. The Company shall, and all the shareholders shall, and shall cause the directors nominated by them (if applicable) to, adopt the relevant resolution and cause the Repurchase Obligors to, purchase the Redemption Shares at the Redemption Price in the manner permitted by applicable laws.

5.4 If two or more Investors exercise the Redemption Right, the payment of the Redemption Price shall be made in the following order:

(i) the holders of Series C Preferred Shares shall be entitled to receive the Redemption Price in preference to the holders of Ordinary Shares, Series A+ Preferred Shares, Series A Preferred Shares, Series B Preferred Shares and Series B+ Preferred Shares;

(ii) after the Redemption Price of the holders of Series C Preferred Shares are paid in full, the property of Repurchase Obligor (if any) shall be used to pay the Redemption Price of the holders of Series B Preferred Shares and Series B+ Preferred Shares, and the holders of Series B+ Preferred Shares and Series B Preferred Shares shall

be entitled to receive the Redemption Price in preference to the holders of Ordinary Shares, Series A+ Preferred Shares and Series A Preferred Shares.

(iii) after the Redemption Price of the holders of Series B+ Preferred Shares and Series B Preferred Shares are paid in full, the property of Repurchase Obligor (if any) shall be used to pay the Redemption Price of the holders of Series A+ Preferred Shares, and the holders of Series A+ Preferred Shares shall be entitled to receive the Redemption Price in preference to the holders of Ordinary Share and Series A Preferred Shares. If the property of the Repurchase Obligor (if any) is not sufficient to pay the full Redemption Price to the holders of Series A+ Preferred Shares, the property of the Repurchase Obligor shall be paid to the holders of Series A+ Preferred Shares ratably in proportion to their respective Redemption Price in the aggregate Redemption Price paid to the holders of Series A+ Preferred Shares.

(iv) After the Redemption Price of the holders of Series A+ Preferred Shares are paid in full, the property of Repurchase Obligor (if any) shall be used to pay the Redemption Price of the holders of Series A Preferred Shares. If the property of the Repurchase Obligor (if any) is not sufficient to pay the full Redemption Price to the holders of Series A Preferred Shares, the property of the Repurchase Obligor shall be paid to the holders of Series A Preferred Shares ratably in proportion to their respective Redemption Price in the aggregate Redemption Price paid to the holders of Series A Preferred Shares.

5.5 The respective Redemption Price of the Investors are as follows: (x) the Investment Amount corresponding to the Redemption Shares plus an amount that would provide for a simple interest rate of 8% (calculated on a daily basis from the date on which the Investor's Investment Amount of such Preferred Shares was actually paid to any Group Company's account to the date on which the Investor actually receives the Redemption Price); and (y) the declared but unpaid dividends with respect to such Redemption Shares as of the date on which the Investor actually receives the Redemption Price.

5.6 After the Investor exercises Redemption Right under this Section 5, the Investor shall continue to enjoy all rights under this Agreement with respect to the Shares then held by such Investor so long as it still holds any equity interests or Shares in the Company.

6. Preemptive Right

6.1 General. The Company hereby grants to each Investor (the **"Preemptive Rights Holder"**) the right of first refusal to purchase such Preemptive Rights Holder's Pro Rata Share (as defined below) (and any oversubscription, as provided below), of all (or any part) of any New Securities that the Company may from time-to-time issue after the date of this Agreement (the **"Preemptive Right"**).

6.2 Pro Rata Share. A Preemptive Rights Holder's **"Pro Rata Share"** for purposes of the Preemptive Rights is the ratio of (a) the number of Ordinary Shares issued or issuable upon the conversion of the Preferred Shares which are held by such Preemptive Rights Holder (assuming full conversion and exercise of all Warrant Shares), to (b) the total number of Ordinary Shares then outstanding immediately prior to the issuance of New Securities giving rise to the Preemptive Rights (on a fully diluted and as-converted basis, assuming full conversion and exercise of all Warrant Shares).

6.3 New Securities. For purposes hereof, **"New Securities"** shall mean any Equity Securities of the Company issued after the date hereof, except for:

(i) any Ordinary Shares (and/or options or warrants therefore (including any of such shares which are repurchased) issued to officers, directors, employees and consultants of the Company pursuant to an ESOP approved by the Board);

(ii) any Ordinary Shares issued or issuable upon conversion of the Preferred Shares (including the Warrant Shares);

(iii) any Equity Securities issued in connection with any share split, share dividend, reclassification or other similar event in which all Preemptive Rights Holders are entitled to participate on a pro rata basis; and

(iv) any Equity Securities issued pursuant to a Qualified IPO.

6.4 Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Preemptive Rights Holder written notice of its intention to issue New Securities (the **"Participation Notice"**), describing the amount and type of New Securities, the price and the general terms and conditions upon which the Company proposes to issue such New Securities and the detailed information of the proposed subscriber (if any) other than the shareholders of the Company. Each Preemptive Rights Holder shall have ten (10) days (or shorter period agreed by the Preemptive Rights Holder) from the date of receipt of any such Participation Notice to agree in writing to purchase up to such Preemptive Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Preemptive Rights Holder's Pro Rata Share). If any Preemptive Rights Holder fails to so respond in writing within such ten (10) days period to purchase such Preemptive Rights Holder's full Pro Rata Share of an offering of New Securities, then such Preemptive Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase but shall not be deemed to forfeit any right with respect to any other issuance of New Securities.

6.5 Failure to Exercise. In the event no Preemptive Rights Holder exercises the Preemptive Rights, the Company shall have thirty (30) days thereafter to complete the sale of the New Securities described in the Participation Notice with respect to which the Preemptive Rights hereunder were not exercised at the same or higher price and upon non-price terms not more favorable to the subscribers thereof than specified in the Participation Notice. In the event that the Company has not issued and sold such New Securities within such thirty (30) days period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Preemptive Rights Holders pursuant to this Section 6.

7. Right of First Refusal

7.1 Restrictions on Transfer. Each Warrantor covenants and agrees that he shall not, without the written consent of the Investors, transfer more than five percent (5%) of the Ordinary Shares of the Company he holds directly or indirectly within two (2) years from the Closing, except that the transfer is made from the Founder to other shareholders of the Company or the Founder's immediate relatives, or made for the purpose of an ESOP in

accordance with this Agreement, provided that in no event shall the transfer of Ordinary Shares held by the Warrantors under this Section 7 result in the change of control of the Group Companies. For this Section 7, the "transfer" of the Shares of the Company by a Party includes transfer, or otherwise disposal of, or creation of any encumbrance over, any Shares of the Company held directly or indirectly by such Party. Any transfer in violation of this Section 7 shall be deemed void.

All the parties agree that, any transfer of the Shares shall not adversely affect the Qualified IPO, otherwise such transfer shall be deemed void.

Unless otherwise provided in Section 7.1, an Investor may freely transfer their Shares of the Company to their Affiliates or any party at their sole discretion, provided that they shall give prior written notice to the Company and the Founder. If, under the applicable laws, the proposed transfer of Shares by an Investor requires the consent of the other shareholders of the Company or other shareholders of the Company have the Right of First Refusal, the other shareholders of the Company agree to give the prior consent as required by laws and waive the Right of First Refusal and execute all necessary documents and take all actions to assist the Investor to complete the share transfer as soon as possible.

7.2 Right of First Refusal. Subject to Section 7.1 provided hereinabove, prior to the Company's Qualified IPO or the Company's liquidation, where any Warrantor (for the purpose of Section 7.2 and Section 8 hereof, the **"Transferor"**) intends to directly or indirectly sell or to dispose all or any part of Shares of the Company (the **"Transferred Shares"**) to any Person (the **"Transferee"**), the Investor (the **"Right of First Refusal Holder"**) has the right to purchase all or part of the Transferred Shares (the **"Right of First Refusal"**) in accordance with the same terms and conditions. For the avoidance of doubt, with regard to the Company's equity the Right of First Refusal Holder decides to exercise the Right of First Refusal, other shareholders of the Company hereby expressly waive their rights of first refusal or any other rights that may exist according to the applicable laws, the Company's bylaw or any other reason.

7.3 Where the Transferor intends to transfer or dispose in other manner to the Transferee all or part of the Shares he holds, the Transferor shall notify the Right of First Refusal Holder in writing of the information as follows (the **"Transfer Notice"**): (i) the intention of transfer; (ii) the number of Transferred Shares; (iii) the terms and conditions of the transfer; and (iv) the basic information of the Transferee. The number of shares the Right of First Refusal Holder can purchase shall not exceed the product of the following: (X) the number of all Transferred Shares proposed to be transferred, multiplied by (Y) a fraction, with the number of Shares held by the certain Right of First Refusal Holder as the numerator, and the number of Shares held by all Right of First Refusal Holders as the denominator, calculated on a fully diluted and as-converted basis, assuming full conversion and exercise of all Warrant Shares. Where any Right of First Refusal Holder fails to exercise or fully exercise his Right of First Refusal, the Right of First Refusal Holders who have fully exercised the Right of First Refusal (the **"Exercising Shareholder"**) have the right but not the obligation to continue to purchase the rest of the Transferred Shares within five (5) days thereafter, on a pro rata basis based on the number of Shares held by such Exercising Shareholder in the Company to all Shares of the Company held by all Exercising Shareholder who continue to exercise the Right of First Refusal. The Right of First Refusal Holders may purchase all the Transferred Shares in accordance with this Section 7.

7.4 The Right of First Refusal Holder shall notify the Transferor in writing within five (5) days of its receipt of the Transfer Notice whether it will exercise its Right of First Refusal. If any Right of First Refusal Holder fails to notify the Transferor of its intention to exercise its Right of First Refusal within such five (5) days period, it shall be deemed to consent to such transfer and have agreed to waive its Right of First Refusal with respect to such Transferred Shares as set out in the Transfer Notice.

7.5 The Transferor shall have the right to transfer the Transferred Shares with respect to which the Right of First Refusal or Right of Co-Sale (as defined below) has not been exercised. In the case of any changes in the transfer terms and conditions as set forth in the Transfer Notice, or if the Transferor and the Transferee fail to complete the transfer of such shares within ninety (90) days from the transfer date as set forth in the Transfer Notice, the Transferor shall not transfer any Shares without reperforming the procedures of Right of First Refusal under Section 7 hereof and the Right of Co-Sale under Section 8 hereof.

7.6 Where the Transferor transfers any Shares, the Transferor shall ensure that the Transferee signs a Deed of Adherence in the form of Exhibit A and other documents that satisfactory to the Investors, and agrees to accede to this Agreement and assume all the obligations of the Transferor under this Agreement. The Parties hereto agree that, the WFOE will, by executing and delivering to all the Parties hereto the Joinder Agreement in the form of Exhibit B attached hereto, become and be deemed a party to this Agreement and assume all the obligations and liabilities as a Group Company set forth under this Agreement.

7.7 For the avoidance of doubt, the equity transfer made in compliance with the ESOP stipulated hereof shall not be subject to the Right of First Refusal and the Right of Co-sale.

8. Right of Co-Sale

8.1 To the extent that any Right of First Refusal Holder has not exercised its Right of First Refusal set forth in Section 7 above (the **"Co-Sale Right Holder"**), such Co-Sale Right Holder shall have the right (but not the obligation) to transfer its Shares to the Transferee together with the Transferor on substantially the same terms and conditions as set forth in the Transfer Notice. Each Co-Sale Right Holder electing to exercise its co-sale right (the **"Co-Sale Participating Holder"**) shall issue a written notice to the Transferor and the Company (the **"Co-Sale Notice"**) within five (5) days after receipt of the Transfer Notice (the **"Co-Sale Right Period"**), which shall set forth the number of Equity Securities that such Co-Sale Participating Holder wishes to include in such sale or transfer. The number of Shares that may be transferred by a Co-Sale Participating Holder shall be calculated as follows:

S=P*A/B,

where:

S: means the number of Shares that the Co-Sale Participating Holder may sell when exercising its Right of Co-Sale;

P: means the number of Transferred Shares;

A: means the number of Ordinary Shares (on an as-converted and fully-diluted basis and assuming full conversion and exercise of all Warrant Shares) held by the Co-Sale Participating Holder;

B: means the aggregate number of Ordinary Shares (on an as-converted and fully-diluted basis and assuming full conversion and exercise of all Warrant Shares) held by the Co-Sale Participating Holders and the Transferor.

8.2 Where any Co-Sale Participating Holder exercises the Right of Co-sale in compliance with Section 8 hereof, the Transferor is obligated to cause the Transferee to purchase all or part of the Shares the Co-Sale Participating Holder requests to transfer by exercising the Right of Co-sale at the same price, terms and conditions. Where the Transferee refuses in any manner to purchase the Shares Co-Sale Participating Holder requests to transfer, the Transferor shall not transfer any Transferred Share to the Transferee, unless the Transferor purchases the Shares the Co-Sale Participating Holder requests to transfer at the price and terms and conditions stated in the notice. Where the Transferor sells the Shares in violation of Section 8.2, the Co-Sale Participating Holder has the right to mandatorily transfer the Shares that should have been transferred to the Transferee under the Right of Co-sale to the Transferor at the same price and terms and conditions. The Transferor shall purchase such Shares from the Co-Sale Participating Holder.

9. Liquidation Right

9.1 In the event of a liquidation, dissolution, winding up or other statutory liquidation event (as defined below) of the Company, the remaining property of the Company (the **"Distributable Liquidation Property"**) from the disposal of the assets of the Company after the payments of relevant expenses in accordance with applicable laws shall be distributed as follows:

(i) before any distribution or payment shall be made to any holders of the Ordinary Shares, Series A Preferred Shares, Series A+ Preferred Shares, Series B Preferred Shares and Series B+ Preferred Shares, each holder of Series C Preferred Shares shall be entitled to receive, on parity with each other and on a pro rata basis, an amount equal to the Investment Amount for each Series C Preferred Share then held by such holder, (the **"Series C Liquidation Preference"**). If, upon any such liquidation event or Deemed Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all the Series C Preferred Shares, then such assets shall be distributed among the holders of Series C Preferred Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(ii) after distribution or payment in full of the Series C Liquidation Preference distributable or payable on the Series C Preferred Shares pursuant to the sequence provided in Sections 9.1(i), and before any distribution or payment shall be made to any holders of the Ordinary Shares, Series A Preferred Shares and Series A+ Preferred Shares, each holder of the Series B+ Preferred Shares and Series B Preferred Shares shall be entitled to receive, on parity with each other and on a pro rata basis, an amount equal to the Investment Amount for each Series B+ Preferred Share and Series B Preferred Share then held by such holder (the **"Series B Liquidation Preference"**). If, upon any such liquidation event or Deemed Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all the Series B+ Preferred Shares and the Series B Preferred Shares, then such assets shall be distributed among the

holders of Series B+ Preferred Shares and the Series B Preferred Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(iii) after distribution or payment in full of the Series B Liquidation Preference distributable or payable on the Series B+ Preferred Shares and the Series B Preferred Shares pursuant to the sequence provided in Sections 9.1(ii), and before any distribution or payment shall be made to any holders of the Ordinary Shares, each holder of the Series A+ Preferred Shares and the Series A Preferred Shares shall be entitled to receive, on parity with each other and on a pro rata basis, an amount equal to the Investment Amount for each Series A Preferred Share and Series A+ Preferred Share then held by such holder (the **"Series A Liquidation Preference"**). If, upon any such liquidation event or Deemed Liquidation Event, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all the Series A+ Preferred Shares and the Series A Preferred Shares, then such assets shall be distributed among the holders of Series A+ Preferred Shares and the Series A Preferred Shares, ratably in proportion to the full amounts to which they would otherwise be respectively entitled thereon.

(iv) After distribution or payment in full of the respective Liquidation Preference distributable or payable on the Preferred Shares pursuant to the sequence provided in Sections 9.1(i), (ii) and (iii), the remaining assets of the Company available for distribution shall be distributed ratably among all the Shareholders (including the holders of Preferred Shares) in proportion to the number of the outstanding Ordinary Shares held by them (calculated on an as-converted and fully-diluted basis and assuming full conversion and exercise of all Warrant Shares).

9.2 The Parties further agree that if the meeting of shareholders or the Board of Directors of the Company cannot be held for a continuous period of more than twelve (12) months, upon written request by the Investors, all the shareholders of the Company shall adopt a resolution of winding up and liquidation of the Company at such meeting.

9.3 Upon the written request of the Investors, all shareholders of the Company shall distribute all the proceeds obtained by the Company in the following events (the **"Deemed Liquidation Events"**), pursuant to Section 9.1(i) to 9.1(iv) hereof, unless the Investors otherwise agree in writing that such events will not constitute a Deemed Liquidation Event: (i) if the Company is involved in transactions such as merger, reorganization or consolidation which will cause a substantial change of control of the Company (including the change of the controlling person, or the situation where all shareholders before the transaction hold less than 51% of the Company's Shares after the transaction); (ii) if the Company has sold, transferred or disposed all or substantially all the assets, business or intellectual property rights of the Company.

9.4 If the relevant government authorities are in objection with the distribution plan and order provided in Section 9.1 hereof, or the distribution plan and order provided in this Section 9.1 cannot be directly executed for other reasons, the Parties shall first make distributions in according with the ratio of the equities, then the shareholders other than the Investors shall transfer the distributed property or payment to the Investors on a pro rata basis by way of free donation (for the avoidance of doubt, other shareholders hereby expressly agree and confirm that the free donation is irrevocable) , and enables the Investors to eventually receive all the property or payment to which they are entitled in accordance with the distribution plan and order described in Section 9.1 hereof.

10. Conversion Rights. The holders of Preferred Shares shall have the following rights described below with respect to the conversion of such Shares into Ordinary Shares.

10.1 Optional Conversion.

(i) Each holder of Preferred Shares shall be entitled to convert any or all of its Preferred Shares at any time, without the payment of any additional consideration, into such number of fully paid and non-assessable Ordinary Shares per Preferred Share, determined as follows. The number of the Ordinary Shares to which a holder shall be entitled upon conversion of any Preferred Share shall be the quotient of the Original Purchase Price of such Preferred Share divided by the then-effective Conversion Price of such Preferred Share. The initial Conversion Price of the Preferred Shares shall be equal to the Original Purchase Price of the Preferred Shares. For the avoidance of doubt, the initial conversion ratio for the Preferred Shares to the Ordinary Shares shall be 1:1, subject to adjustments of the Conversion Price, as set forth below. Such conversion shall be effected by the redemption of the Preferred Shares each at the Original Purchase Price, and the application of the proceeds thereof in consideration for the issue to the relevant holder of the appropriate number of the Ordinary Shares at the Conversion Price. All rights incidental to the Preferred Shares (including but not limited to rights to any declared but unpaid dividends) shall terminate automatically upon any conversion of such Preferred Shares into Ordinary Shares.

(ii) The holder of Preferred Shares who desires to convert its Preferred Shares into Ordinary Shares shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Preferred Shares, and shall give written notice to the Company at such office that such holder has elected to convert such Preferred Shares. Such notice shall state the number of the Preferred Shares being converted. Thereupon, the Company shall promptly (and in any event within five (5) Business Days) issue and deliver to such holder at such office a certificate or certificates for the number of Ordinary Shares to which the holder is entitled. No fractional Ordinary Shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be so issued to a holder of the Preferred Shares upon the conversion thereof (after aggregating all fractional Ordinary Shares that would be issued to such holder) shall be rounded to the nearest whole Ordinary Share (with one-half being rounded upward). Such conversion shall be deemed to have been made at the close of business on the date of the surrender of the certificates representing the Preferred Shares to be converted, and the holder entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares on such date.

10.2 Automatic Conversion.

(i) Each Preferred Share shall automatically be converted into the appropriate number of fully-paid, non-assessable Ordinary Shares at the then-effective Conversion Price upon the closing of an Qualified IPO. Any automatic conversion of the Preferred Shares made pursuant to this Section 10.2 shall be effected automatically by the redemption of the requisite number of the Preferred Shares and the issuance of the appropriate number of Ordinary Shares at the then-effective Conversion Price.

(ii) In the event of an automatic conversion of the Preferred Shares pursuant to Section 10.2(i), all outstanding Preferred Shares shall be converted automatically without any further action by the holders of the Preferred Shares and whether

or not the certificates representing the Preferred Shares are surrendered to the Company or its transfer agent in respect of the Preferred Shares. The Company shall give notices to such holders of an automatic conversion at least twenty (20) Business Days prior to the date of conversion and as soon as practicable following the written consent required under Section 10.2(i) above. The Company shall not issue certificates in respect of any Ordinary Shares into which the Preferred Shares have been converted upon automatic conversion unless the certificates in respect of such Preferred Shares so converted are either delivered to the registered office of the Company or to the office of its transfer agent in respect of such Preferred Shares or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

10.3 Adjustment to Conversion Price. The Conversion Price shall be adjusted from time to time as provided below:

(i) Adjustment for Share Splits and Combinations. In the event that the outstanding Ordinary Shares shall be subdivided (by share dividend, share split, or otherwise) into a greater number of Ordinary Shares, the Conversion Price then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Ordinary Shares, the Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(ii) Adjustment for Ordinary Share Dividends and Distributions. If the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of the Ordinary Shares payable in additional Ordinary Shares, the Conversion Price then in effect shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying such Conversion Price then in effect by a fraction (i) the numerator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date (on an as-converted and fully-diluted basis), and (ii) the denominator of which is the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date (on an as-converted and fully-diluted basis) plus the number of Ordinary Shares issuable in payment of such dividend or distribution.

(iii) Adjustments for Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, Substitutions. If at any time, or from time to time, any capital reorganization or reclassification of the Ordinary Shares (other than as a result of a share dividend, subdivision, split or combination otherwise treated above) occurs or the Company is consolidated, merged or amalgamated with or into another Person (other than a Deemed Liquidation Event), then in any such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder of such Preferred Share shall receive the kind and amount of shares and other securities and property which the holder of such Preferred Share would have received had the Preferred Shares been converted into Ordinary Shares on the date of such event, all subject to further adjustment as provided herein, or with respect to such other securities or property, in accordance with any terms applicable thereto.

(iv) Adjustment of Conversion Price Upon Issuance of Shares Below Then-Effective Conversion Price.

(a) Anti-Dilution Adjustment. In the event that at any time after the date hereof, the Company shall issue or sell any New Securities for a consideration per share less than the applicable Conversion Price in effect on the date of and immediately prior to such issuance, then the applicable Conversion Price in effect shall be reduced, concurrently with such issuance, to the issuance price of such New Securities.

(b) Determination of Consideration. For the purpose of making any adjustment to the Conversion Price or number of the Ordinary Shares issuable upon conversion of the Preferred Shares, as provided above:

(1) To the extent it consists of cash, the consideration received by the Company for any issue or sale of securities shall be computed at the net amount of cash received by the Company after deduction of any underwriting or similar commissions, compensations, discounts or concessions paid or allowed by the Company in connection with such issue or sale;

(2) To the extent it consists of property other than cash, consideration other than cash received by the Company for any issue or sale of securities shall be computed at the fair market value thereof (as determined in good faith by the Board (including the approval of all Investor Directors), as of the date of the adoption of the resolution specifically authorizing such issue or sale, irrespective of any accounting treatment of such property); and

(3) If any New Securities are issued or sold together with other Shares or other assets of the Company for consideration which covers both, the consideration received for the New Securities shall be computed as that portion of the consideration received (as determined in good faith by the Board, including the approval of all Investor Directors) to be allocable to such New Securities.

(v) No Impairment. The Company shall not, by amendment to the Memorandum and Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but rather shall at all times in good faith assist in the carrying out of all the provisions of this Section 10.3 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Shares against impairment.

(vi) Certificate of Adjustment. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 10, the Company at its expense shall promptly (and in any event within ten (10) Business Days) compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares affected thereby a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall further, upon the written request at any time of any such holder,

promptly (and in any event within ten (10) Business Days) furnish or cause to be furnished to such holder a like certificate setting forth (a) such adjustments and readjustments, (b) the Conversion Price at the time in effect, and (c) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of the Preferred Shares as of the date the written request was received.

(vii) Other Dilutive Events. In case any event shall occur as to which the other provisions of this Section 10.3 are not strictly applicable, but the failure to make any adjustment to the Conversion Price would not fairly protect the conversion rights of the holders of Preferred Shares in accordance with the essential intent and principles hereof, then, in each such case, the Company, in good faith, shall determine the appropriate adjustment to be made, on a basis consistent with the essential intent and principles established in this Section 10.3, necessary to preserve, without dilution, the conversion rights of the holders of the Preferred Shares.

10.4 Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares. If at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares to such number of Ordinary Shares as shall be sufficient for such purpose.

10.5 Exceptions. There will be no adjustment to the Conversion Price of the Preferred Shares for issuances of (i) Ordinary Shares issued upon conversion of the Preferred Shares, (ii) Shares issued to employees, consultants or directors reserved under the ESOP approved by the Board, (iii) Shares issued upon exercise of options or warrants existing on the date hereof, (iv) Ordinary Shares issued as a dividend or distribution on the Preferred Shares, (v) Ordinary Shares issued in connection with a Qualified IPO, (vi) Ordinary Shares issued or issuable pursuant to an acquisition of another corporation by the Company approved by the Board, or (vii) Ordinary Shares that are otherwise excluded with the consent of the Preferred Majority.

11. Information Right

11.1 The Company shall, and the Founder shall cause the Company to deliver the following documents in relation to the Company to the Investors:

(i) within thirty (30) days of the end of each quarter, an unaudited consolidated financial statements of the Group Companies as of the end of such quarter and any report with respect to the matters that might have material adverse effect on the operation and financial condition of the Group Companies;

(ii) audited annual consolidated financial statements, audit report of the Group Companies within ninety (90) days of the end of each fiscal year and annual operation report including the matters that may have material adverse effect on the operation and financial condition of the Group Companies;

(iii) an annual budget for the forthcoming fiscal year within thirty (30) days prior to the beginning of next fiscal year;

(iv) to be provided five (5) days in advance, notice of shareholders' meeting or board meeting with relevant agendas, notice of litigation, judgements against the Group Companies and other matters that may have material adverse effect on the operation and financial condition of the Group Companies, notice issued by government authorities of any failure by the Group Companies to comply with applicable laws and regulations, notice of any change in the nature or scope of the Business of the Group Companies;

(v) such other information, statistics, trading and financial data as may be required by the Investors that are in possession of the Company.

11.2 The Company's financial report/statement should be the consolidated statement of the Group Companies, and should include a balance sheet, an income statement, and a cash flow statement. Any audit of the financial reports of the Company shall be conducted by a reputable and qualified accounting firm recognized by the investors at the expense of the Company, and in accordance with the Accounting Standards consistently applied throughout the period or other Accounting Standards as agreed by the Investors.

11.3 The Company and the Founder shall warrant and ensure and that all information provided to the Investors are true, correct and not misleading.

11.4 The Company shall promptly notify the Investors of the events that may cause material obligations or have a material impact on the Group Companies.

11.5 The Investors shall have the right to examine and visit the Group Companies, as long as the normal operation of the Company shall not be affected, including reasonable inspection of basic information of the Company and its Subsidiaries, inspection of properties, real property, financial books and operating records, photocopying and summarizing such documents, and discussion of the Company's business, finances and conditions with the officers of the Company, and to visit the Company's consultants, employees, independent accountants and attorneys concerning matters relating to the operation of the Company. However, the Investors shall keep confidential the information of the Company reviewed. The Company and the Founder shall provide assistance with respect to exercise of the rights provided in this Section 11.5.

12. Dividends Rights

12.1 Unless otherwise approved by more than two thirds (2/3) of the voting rights of the shareholders of the Company, in every fiscal year, no dividend that is more than 30% of the Company's distributable profits for that year shall be paid on any Shares of the Company, whether in forms of cash, property or shares of the capital of the Company.

12.2 If any dividend that is legally available for distribution is declared by the shareholders resolutions, such dividend shall be distributed among all the shareholders of the Company on a pro rata and as converted basis (assuming the exercise of Warrants and the Series C Warrant) and in the following order:

(i) before any distribution or payment of such dividend shall be made to any holders of the Ordinary Shares, Series A Preferred Shares, Series A+ Preferred Shares, Series B Preferred Shares and Series B+ Preferred Shares, each holder of Series C Preferred Shares shall be entitled to receive such dividend on parity with each other and on a pro rata basis;

(ii) after distribution or payment of such dividend in full to the holders of the Series C Preferred Shares, and before any distribution or payment of such dividend shall be made to any holders of the Ordinary Shares, Series A Preferred Shares and Series A+ Preferred Shares, each holder of the Series B+ Preferred Shares and Series B Preferred Shares shall be entitled to receive such dividend on parity with each other and on a pro rata basis;

(iii) after distribution or payment of such dividend in full to the holders of the Series B+ Preferred Shares and the Series B Preferred Shares, and before any distribution or payment of such dividend shall be made to any holders of the Ordinary Shares and Series A Preferred Shares, each holder of the Series A+ Preferred Shares shall be entitled to receive such dividend on parity with each other and on a pro rata basis;

(iv) After distribution or payment of such dividend in full to the holders of the Series A+ Preferred Shares, and before any distribution or payment of such dividend shall be made to any holders of the Ordinary Shares, each holder of the Series A Preferred Shares shall be entitled to receive such dividend on parity with each other and on a pro rata basis;

(v) After distribution or payment of such dividend in full to the holders of the Series A Preferred Shares, the remaining dividend available for distribution shall be distributed to the holders of the Ordinary Shares on a pro rata basis.

13. Most Favorable Terms

The Parties hereto covenant that if the Company agrees with any investors in any pre-investment or post-investment financing on terms more favorable to such investors than the terms of this Agreement **("More Favorable Terms")**, the Investors shall be entitled to require that More Favorable Terms apply to the Investors of the same terms and level, unless otherwise agreed by the Investors.

14. Non-competition Obligation.

14.1 Unless all Investors otherwise consent in writing, the Founder shall make his best efforts to devote most of his working time to the Group Company's Business to ensure the ordinary operation of the Group Companies and to enable the Investors to withdraw at an Qualified Exit Price, and will use his best efforts to develop the Business and interests of the Group Companies.

14.2 Unless all Investors otherwise consent in writing, within five years from the Closing, or for 24 months from the date when the Founder ceases to hold any interest directly or indirectly in the Group Company or for 24 months from the date of his resignation with the Group Company (whichever is later) (the **"Non-compete Period**"), the Founder shall not, directly or indirectly, carry on any Competitive Business, hold any interests in any other

company with Competitive Business, or engage in any other behaviors harmful to the interests of the Group Companies, including but not limited to (for their own or other person's interests):

(i) holding or indirectly control over a company or other entity engaged in Competitive Business;

(ii) working for any entity that engaged in Competitive Business;

(iii) providing loans, information, technology, business opportunities, experience or any other form of support, advice, services or assistance to companies or other entities engaged in Competitive Business;

(iv) obtaining benefits, directly or indirectly, from Competitive Business or from companies or other entities engaged in in Competitive Business;

(v) soliciting any Person who is or has been at any time a customer of the Group Companies for the purpose of offering to such customer goods or services similar to or competing with those offered by any Group Company;

(vi) employing, in any manner, any person whose employment with the Company is terminated after the Closing through any person or entity which is directly or indirectly controlled by the Founder or in which the Founder has an interest; and

(vii) soliciting or enticing away or endeavoring to solicit or entice away any director, officer, or employee of any Group Company.

14.3 During the Non-Compete Period, if the Founder intends to develop Competitive Business, such business shall be operated by the Group Companies.

15. Confidentiality and Non-Disclosure.

15.1 Disclosure of Terms. The terms and conditions of this Agreement and all exhibits and schedules attached hereto and the transactions contemplated hereby (collectively, the **"Financing Terms"),** including their existence, shall be considered confidential information and shall not be disclosed by any Party to any third party without the consent of all other Parties except in accordance with the provisions set forth below.

15.2 Permitted Disclosures. Notwithstanding anything to the contrary in the foregoing, (i) the Parties, as appropriate, may each disclose any of the Financing Terms to its current or bona fide prospective investors, the key employee, investment bankers, lenders, accountants and attorneys, in each case only on an as-needed basis and where such Persons are under appropriate nondisclosure obligations imposed by professional ethics, Applicable Law or otherwise; (ii) each Investor may disclose any of the Financing Terms to relevant governmental authorities, its accountants and attorneys, its respective fund manager and the employees thereof on an as-needed basis and so long as such Persons are under appropriate nondisclosure obligations imposed by professional ethics, Law or otherwise; (iii) any Party may disclose any of the Financing Terms which enter the public domain through no fault and no breach of confidentiality obligation of the restricted Party; (iv) with the Company's prior written consent, each Investor may disclose its investment in the Company and the Financing Terms of its investment to third parties or to the public and, if it does so, the other Parties shall have the right to disclose to third parties any such information disclosed in a press release or

other public announcement by such Investor; and (v) each Investor and its Affiliates may disclose the Financing Terms to (x) its investors pursuant to the terms of its partnership agreements or any other agreements with such investors, and (y) to its prospective investors in its fund raising activities; provided that such investors or prospective investors are under the confidentiality obligations herein to such Investor and its Affiliates in relation to the information disclosed.

15.3 Legally Compelled Disclosure. In the event that any Party is requested or becomes legally compelled or obligated (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement or any of the Financing Terms in contravention of the provisions of this Section 15, such Party (the **"Disclosing Party")** shall provide the other Parties (the **"Non-Disclosing Parties")** with prompt written notice of that fact and shall consult with the Non-Disclosing Parties regarding such disclosure. The Disclosing Party shall, to the extent possible or practicable, seek (with the cooperation and reasonable efforts of the Non-Disclosing Parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information to the extent reasonably requested by any Non-Disclosing Party.

16. Liabilities.

16.1 Subject to Section 16.2, the Group Companies and the Warrantors severally and jointly agree that they shall, jointly and severally, indemnify, defend and hold harmless the Investors from and against any damages, losses, claims, actions, demands for payment, judgment, settlement, taxes, interest, costs and expenses (including, without limitation, reasonable attorneys' fees) (collectively, the **"Investors' Losses"**) suffered, suffered or incurred by, or asserted against, the Investors, whether third party claims, claims among the Parties hereto or otherwise, as a result of any breach by the Group Companies and/or the Warrantors of any covenants, agreements or obligations under this Agreement, provided that the indemnification liability of each of the Warrantors under this Section 16.1 shall be capped on the Realized Value of all Ordinary Shares of the Company then held directly or indirectly by such Warrantor.

16.2 In the event that the Company breaches any obligation or liability to the Investors under Section 2.1 or Section 2.3 of this Agreement, (i) the Repurchase Obligors shall bear joint and several liability for the Investors' Losses, and such liability shall be limited to the Realized Value of all Ordinary Shares of the Company held directly or indirectly by the Repurchase Obligors at the time; and (ii) the Investors shall be entitled to require the Company and the Repurchase Obligors to fulfill its obligations under the Redemption Right pursuant to Section 5.

17. Miscellaneous.

17.1 Effectiveness. This Agreement shall take effect and become legally binding on the Parties immediately upon the Closing.

17.2 Termination. This Agreement shall terminate upon mutual consent of the Parties hereto.

17.3 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of laws thereunder.

17.4 Dispute Resolution.

(i) Any dispute, controversy or claim (each, a **"Dispute"**) arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the **"Arbitration Notice"**) to the other.

(ii) The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the **"HKIAC"**) in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the **"HKIAC Rules"**) in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators to be appointed according to the HKIAC Rules. The HKIAC Council shall select the arbitrator, who shall be qualified to practice law in Hong Kong.

(iii) The arbitration shall be conducted in Chinese. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

17.5 Notices. Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule II (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 17.5). Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be affected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

17.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

17.7 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver

of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

17.8 Severability. The Parties agree that, unless any specific provision of this Agreement is expressly determined by relevant arbitral body or court to be in violation of laws which are not legally binding, the Parties shall perform all the provisions of this Agreement in good faith and shall not refuse to perform this Agreement or any specific provision of this Agreement. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

17.9 Amendments and Waivers. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) as to the Group Companies, only by the Company; (ii) as to the Founder, only by the Founder; (iii) as to the Investors, only by all of the Investors; and (iv) as to the Founder Holding Company, only by the Founder Holding Company; provided, however, that no amendment or waiver shall be effective or enforceable in respect of an Ordinary Holder or the Investors of the Company if such amendment or waiver affects such Ordinary Holder or each holder of Preferred Shares unless such Ordinary Holder or such holder of Preferred Shares consents in writing to such amendment or waiver. Notwithstanding the foregoing, any Party hereunder may waive any of its/his rights hereunder without obtaining the consent of any parties. Any amendment or waiver effected in accordance with this Section 17.9 shall be binding upon all the Parties hereto.

17.10 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

17.11 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

17.12 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

17.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

17.14 Entire Agreement. This Agreement (including the Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the Parties with regard to the subjects hereof, and supersedes all other agreements between or among any of the Parties with respect to the subject matter hereof. Without limiting the generality of the foregoing, with effect from the date of the Closing, the Prior Shareholders Agreements are hereby amended and superseded in its entirety and restated in this Agreement as of the date of this Agreement. Capitalized terms which are not defined hereinto shall have the same meaning as such in the Share Purchase Agreement.

17.15 Control. In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Companies, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects, the Parties shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents, and the Parties hereto shall exercise all voting and other rights and powers (including to procure any required alteration to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

17.16 Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of the relevant class or series of the Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of Shares by such subdivision, combination or share dividend.

17.17 Assignments and Transfers. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The Investors shall have the right to assign and transfer their rights, interests and obligations under this Agreement and the other Transaction Documents (if any) to their Affiliates or any other third party, and the other shareholders of the Company shall give its consent and waive its rights as required by laws and execute all necessary documents and take all actions to assist the Investor to complete such transfer. Except as provided above, the Warrantors may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Investors.

17.18 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the

English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMPANY:

Baijiayun Limited

For and on behalf of
BaiJiaYun Limited

By:_____
Name:
Title:

Authorized Signature(s)

HK COMPANY:

Baijia Cloud Limited

For and on behalf of
BaiJia Cloud Limited

By:_____
Name:
Title:

Authorized Signature(s)

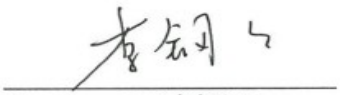
DOMESTIC COMPANY:

Beijing Baijiashilian Technology Co., Ltd. (北京百家视联科技有限公司) (affix)

By:_____
Name: Gangjiang Li (李钢江)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

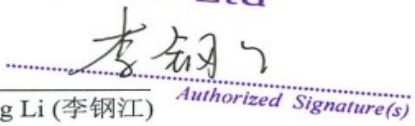
FOUNDER:



Gangjiang Li (李钢江)

Jia Jia Ltd.

By:_____



Name: Gangjiang Li (李钢江)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Duo Duo International Limited

For and on behalf of
Duo Duo International Limited

By: _____

Name:

Title: Authorized Signatory

Authorized Signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Nuan Nuan Ltd

For and on behalf of
Nuan Nuan Ltd

By: _____
Name: .....
Title: Authorized Signatory

Authorized Signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

IBettering International Group Limited

By: _____
Name: Chen Xiangdong
Title: Director

IGrowing International Group Limited

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

ABUNDANT MAGNUM LIMITED

For and on behalf of
ABUNDANT MAGNUM LIMITED

By: _____
Name:
Title: Authorized Signatory

Authorized Signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Guiyang Service Outsourcing and Call Industry Venture Capital Fund Co., Ltd(贵阳市服务外包及呼叫产业创业投资基金有限公司)(Affix)

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

IGrowing International Group Limited

By: _____

Name:

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (limited partnership)(深圳市达晨创鸿私募股权投资企业（有限合伙）)(Affix)

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (limited partnership)(深圳市财智创赢私募股权投资企业（有限合伙）)(Affix)

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Beijing Guoke Dingzhi Equity Investment Center (limited partnership)(北京国科鼎智股权投资中心（有限合伙）)

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Bshvc Limited

For and on behalf of
Bshvc Limited

By: _____
Name: .....
Title: Authorized Signatory

Authorized Signature(s)

For and on behalf of
BSH Winning Limited

BSH Winning Limited

By: _____
Name: .....
Title: Authorized Signatory

Authorized Signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

QFcapital Limited

For and on behalf of
QFcapital Limited

By: _____
Authorized Signature(s)
Name:
Title: Authorized Signatory

QF Group Limited

For and on behalf of
QF Group Limited

By: _____
Authorized Signature(s)
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SMCD Limited

For and on behalf of
SMCD Ltd

By: _____
Name:
Title: Authorized Signatory

Authorized Signature(s)

Xiangmu Ltd

For and on behalf of
Xiangmu Ltd

By: _____
Name:
Title: Authorized Signatory

Authorized Signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Yijia Enterprise Management Limited

For and on behalf of
Yijia Enterprise Management ....

By: _____

Name:.....

Title: Authorized Signatory

Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Arbor Investment I Holdings Limited

By: 徐珠治
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Huatu Hong Yang International Limited(华图宏阳国际有限公司)(Affix)

By: _____
Name:
Title: Authorized Signatory

Ronghe International Limited(容和国际有限公司)(Affix)

By: _____
Name:
Title: Authorized Signatory

SI-1件 副联 30份

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Shenzhen Qianhai Qinglan Boguan Venture Capital Management Center (limited partnership)(深圳前海青蓝博观创业投资管理中心（有限合伙）)(Affix)

By: _____
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

GP Hitech Holdings Limited

For and on behalf of
GP HiTech Holdings Limited

By: _____

Name: .....

Authorized Signature(s)

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

GP Venture Capital Limited

For and on behalf of
GP Venture Capital Limited

By: _____
Name: Authorized Signature(s)
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Banyan Partners Fund II, L.P.
By: Banyan Partners II Ltd., its general partner

By: _____
Name: Peter Wong
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang) Partnership (L.P.)(新东方行知教育文化产业基金（张家港）合伙企业（有限合伙）)

By: _____
Name:
Title: Authorized Signatory

Exhibit 3.1

ACTING-IN-CONCERT AGREEMENT

This Acting-in-Concert Agreement (the "***Agreement***") is executed on December 23, 2022 by the following parties:

(i) Gangjiang Li ("***Party A***");

(ii) Jia Jia BaiJiaYun Ltd ("***Party A's Holding Company***");

(iii) Yi Ma ("***Party B***");

(iv) Nuan Nuan Ltd ("***Party B's Holding Company***").

Each of the parties above is referred to herein individually as a "***Party***" and collectively as the "***Parties***."

Whereas:

1. As at the date of this agreement, Party A, through Party A's Holding Company, shall hold 28,055,888 Class B Ordinary Shares of Baijiayun Group Ltd (the "***Compan*y**"); Party B, through Party B's Holding Company, shall hold 8,641,655 Class B Ordinary Shares of the Company.

2. In order to maintain a stable shareholding structure and control of the Company, Party A and Party B desire to act in concert with each other on all matters that require the decisions of the shareholders of the Company and/or the directors of the Board.

Therefore, the Parties agree unanimously to the following arrangements:

1. During the effective period (the "***Effective Period***") commencing from the December 23, 2022, (the "***Commencing Date***") till the Termination, the Parties shall be deemed as actors in concert. Party B shall, and shall cause Party B's Holding Company to, act in concert with Party A and/or Party A's Holding Company in relation to all matters that require the decisions of the shareholders of the Company and/or the directors of the Board, including but not limited to all the matters stipulated in the memorandum and articles of associations of the Company that need to be resolved at a shareholders meeting and/or director meeting.

2. For the purpose of Article 1 above, before the Parties act in concert, Party A and Party B shall vote on the matters that require action in concert, and joint action shall be taken based on the results of the voting. Each of Party A and Party B agrees and confirms that, (1) if Party A and Party B are unable to reach a unanimous opinion in relation to the matters that require consents, resolutions or voting by directors, a decision that is made by Party A shall be deemed as a decision that is unanimously passed and agreed by Party A and Party B and shall be binding on Party A and Party B; and (2) if Party A's Holding Company and Party B's Holding Company are unable to reach a unanimous opinion in relation to the matters that require consents, resolutions or voting by shareholders, a decision that is made by Party A's Holding Company shall be deemed as a decision that is unanimously passed and agreed by Party A's Holding Company and Party B's Holding Company. Party A's Holding Company and Party B's

Holding Company shall act in concert with each other based on the contents of the aforesaid decision.

3. This Agreement shall come into force from the date that the Parties sign this Agreement, and shall remain effective unless otherwise terminated by mutual consent of the Parties (the "***Termination***"). Notwithstanding the foregoing, Article 5 shall survive the termination of this Agreement.

4. This Agreement shall be governed by Cayman Islands Laws and shall be interpreted in accordance with the laws of Cayman Islands.

5. This Agreement constitutes the full and entire understanding and agreement among the Parties with regard to the subjects hereof and thereof, and supersedes all other agreements between or among any of the Parties with respect to the subject matter hereof. After the execution and delivery of this Agreement, to the extent that there is any conflict between this Agreement and any provision of any other agreement, arrangement or understanding between the Company and any holder of equity securities of the Company, the terms and conditions of this Agreement shall prevail.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Gangjiang Li

/s/ Gangjiang Li

Jia Jia BaiJiaYun Ltd

By: /s/ Gangjiang Li
Name: Gangjiang Li
Title: Director

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

Yi Ma

/s/ Yi Ma

Nuan Nuan Ltd

By: /s/ Yi Ma
Name: Yi Ma
Title: Director

Exhibit 4.1

AGREEMENT AND PLAN OF MERGER

by and among

FUWEI FILMS (HOLDINGS) CO., LTD.

and

BAIJIAYUN LIMITED

dated as of

July 18, 2022

Table of Contents

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of July 18, 2022 by and among Fuwei Films (Holdings) Co., Ltd., an exempted company incorporated with limited liability under the Laws of the Cayman Islands ("ListCo"), and Baijiayun Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands (the "Company"). ListCo, Merger Sub, and the Company are collectively referred to herein as the "Parties" and individually as a "Party" All capitalized terms used in this Agreement shall have the meanings ascribed to such terms in or as otherwise defined elsewhere in this Agreement.

RECITALS

WHEREAS, ListCo is a company listed on the Nasdaq Capital Market.

WHEREAS, ListCo will newly incorporate a wholly owned, direct subsidiary for purposes of consummating the transactions contemplated by this Agreement and the other Transaction Agreements (the "Transactions" and such subsidiary, the "Merger Sub") which will be bound by this Agreement by signing the Deed of Adherence.

WHEREAS, the Company and its Subsidiaries (as defined below) operate the businesses of video SaaS/PaaS, video cloud and software, video AI and system solution (the "Business").

WHEREAS, ListCo shall, subject to the ListCo Shareholder Approval, adopt the ListCo Post-Closing M&AA as its amended and restated memorandum and articles of association with effect immediately prior to the Closing, pursuant to which, among other things, ListCo Shares are divided into two classes with equal economic rights, of which each ListCo Class A Ordinary Share is entitled to one (1) vote and each ListCo Class B Ordinary Share is entitled to fifteen (15) votes (the amendments effected by the ListCo Post-Closing M&AA, the "Amendment").

WHEREAS, immediately following the Amendment, subject to the terms and conditions hereof and in accordance with the Companies Act (As Revised) of the Cayman Islands (the "Cayman Companies Act"), at the Closing, Merger Sub will merge with and into the Company (the "Merger"), with the Company surviving as the Surviving Entity.

WHEREAS, the board of directors of ListCo (the "ListCo Board") has unanimously: (a) approved and declared advisable this Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment, (b) determined that this Agreement and the Transactions, including the Merger and the Amendment, are in the best interest of ListCo and the ListCo Shareholders, and (c) resolved to recommend to its shareholders that they approve the Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment.

WHEREAS, the board of directors of the Company (the "Company Board") has unanimously: (a) approved this Agreement and the other Transaction Agreements to which it is a party and the Transactions, including the Merger, and (b) determined that this Agreement, and such other Transaction Agreements and the Transactions, including the Merger, are in the best interest of the Company.

WHEREAS, concurrently with the execution and delivery of this Agreement, ListCo Major Shareholder and the Company have entered into a lock-up undertaking attached hereto as Exhibit A (each, a "Lock-up Undertaking").

WHEREAS, for U.S. federal income Tax purposes, the Parties intend that (a) the Merger will qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and the Treasury Regulations promulgated thereunder, and (b) this Agreement is and is hereby adopted as a "plan of reorganization" with respect to the Merger within the meaning of Sections 354, 361 and 368 of the Code and Treasury Regulations Sections 1.368-2(g) and 1.368-3(a) (the "Intended Tax Treatment").

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

Section 1.01 Definitions.

For purposes of this Agreement, the following capitalized terms have the following meanings:

"Action" means any action, suit, audit, examination, arbitration or legal, judicial or administrative proceeding (whether at law or in equity) by or before any Governmental Authority.

"Affiliate" means, with respect to any specified Person, any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such specified Person, through one or more intermediaries or otherwise. The term "control" means the ownership of a majority of the voting securities of the applicable Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the applicable Person, whether through ownership of voting securities, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto.

"Agreed Total Converted ListCo Shares" means 98,484,848.

"Aggregate Fully Diluted Company Shares" means, without duplication, the aggregate number of Company Ordinary Shares (A) that are issued and outstanding immediately prior to the Effective Time, (B) into which all Company Preferred Shares that are issued and outstanding immediately prior to the Effective Time would convert, (C) into which all Company Warrants (if any) that are issued and outstanding immediately prior to the Effective Time would exercise (no matter whether such Company Warrants will be exercised).

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in the Cayman Islands, the PRC, New York City or Hong Kong are authorized or required by Law to be closed for business.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Articles" means the Amended and Restated Memorandum of Association of the Company and the Amended and Restated Articles of Association of the Company, as may be amended from time to time.

"Company Disclosure Schedule" means the disclosure schedule delivered by the Company to and accepted by ListCo on the date hereof.

"Company Employee" means current or former employee, officer or director of the Company or its Subsidiaries.

"Company Founder" means Mr. Li Gangjiang, a PRC citizen with ID number 430124197506130012.

"Company Major Shareholders" means collectively, Jia Jia, Duo Duo International Limited, a company incorporated under the laws of British Virgin Islands and Nuan Nuan Ltd, a company incorporated under the laws of British Virgin Islands, and each, a "Company Major Shareholder".

"Company Ordinary Share" means an ordinary share, par value US$0.0001 each, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Preferred Share" means any of the Company Series A Preferred Shares, Company Series A+ Preferred Shares, Company Series B Preferred Shares, Company Series B+ Preferred Shares and Company Series C Preferred Shares.

"Company Series A Preferred Share" means a series A preferred share, par value US$0.0001 per share, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Series A+ Preferred Share" means a series A+ preferred share, par value US$0.0001 per share, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Series B Preferred Share" means a series B preferred share, par value US$0.0001 per share, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Series B+ Preferred Share" means a series B+ preferred share, par value US$0.0001 per share, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Series C Preferred Share" means a series C preferred share, par value US$0.0001 per share, of the Company, with the rights and privileges as set forth in the Company Articles.

"Company Shareholders" means the holders of issued and outstanding Company Ordinary Shares and Company Preferred Shares.

"Company Shareholder Approval" means the vote and/or consent of the Company Shareholders required to approve the Agreement and the other Transaction Agreements and the Transactions, including the Merger, as determined in accordance with applicable Law and the Organizational Documents of the Company.

"Company Shares" means the Company Ordinary Shares and the Company Preferred Shares.

"Company Warrants" means the warrant agreements respectively entered into by and between the Company and relevant parties which took effect as of September 9, 2021 (as may be amended as contemplated by the Company Disclosure Schedule) and such other warrants, under which the relevant parties are entitled to purchase certain Company Ordinary Shares or Company Preferred Shares (as adjusted to share dividend, split, combination, recapitalization and other similar transactions) from the Company.

"Confidential Information" means, with respect to a Party, all confidential or proprietary documents and information concerning such Party or any of its Affiliates and its and their respective Representatives, disclosed by or on behalf of such Party (or any of its Representatives) to another Party (or any of its Representatives) in connection with this Agreement or any other Transaction Agreement or the transactions contemplated hereby or thereby; provided, however, that Confidential Information shall not include any information which, (i) is or becomes generally available publicly not due to any disclosure in breach of this Agreement or (ii) at the time of the disclosure by such Party or its Representatives, was previously known by such receiving Party or its Representatives without violation of Law or any confidentiality obligation by such receiving Party or its Representatives.

"Contracts" means any legally binding contracts, agreements, licenses, subcontracts, leases, subleases, franchise and other legally binding commitment.

"Control Documents" means collectively, exclusive call option agreement(s), proxy agreement(s), equity pledge agreement(s), an exclusive technical service agreement and any other documents (as applicable) entered into by the relevant Group Companies and the shareholders of the Domestic Company.

"Conversion Ratio" means the number resulting from dividing the Agreed Total Converted ListCo Shares by the Aggregate Fully Diluted Company Shares, which shall (subject to adjustment of the Aggregate Fully Diluted Company Shares) be 0.7807324.

"Data Security Requirements" means, with respect to a Party, all of the following, in each case to the extent relating to any Processing of any Personal Information or any IT Systems, any privacy, security or security breach notification requirements, or any matters relating to data privacy, protection or security, and applicable to such Party or any of its Subsidiaries, the conduct of their businesses, any IT Systems, or any Personal Information Processed by or on behalf of such Party or any of its Subsidiaries or any IT Systems: (i) applicable Laws, including Laws related to data privacy, data security, cybersecurity or national security; (ii) such Party's and each of its Subsidiaries' own respective internal and external rules, policies, and procedures; (iii) industry standards, requirements of self-regulatory bodies, and codes of conduct which such Party or any of its Subsidiaries purports to comply with or be bound by, or otherwise applicable to the industries in which any of them operate; and (iv) Contracts which such Party or any of its Subsidiaries is bound by or has made.

"Deed of Adherence" means the deed of adherence substantially in the form set forth in Exhibit B.

"COVID-19" means SARS-CoV-2 or COVID-19, and any evolutions thereof.

"COVID-19 Measures" means any mandatory quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, shut down, closure, sequester or any other Law, directive or guidelines by any Governmental Authority in relation to COVID-19.

"Domestic Company" means Baijiayun Group Co., Ltd. (百家云集团有限公司), a company established under the Laws of the PRC.

"Equity Securities" means, with respect to any Person, (i) any shares of capital or capital stock, registered capital, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interest in, such Person, (ii) any securities of such Person (including debt securities) convertible into or exchangeable or exercisable for shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, such Person, (iii) any warrants, calls, options or other rights to acquire from such Person, or other obligations of such Person to issue, any shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, or securities convertible into or exchangeable or exercisable for shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, such Person, and (iv) any restricted shares, stock appreciation rights, restricted units, performance units, contingent value rights, "phantom" stock or similar securities or rights (including, for the avoidance of doubt, interests with respect to an employee share ownership plan) issued by or with the approval of such Person that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any shares of capital or capital stock or other voting securities of, other ownership interests in, or any business, products or assets of, such Person.

"Exchange Act" means the United States Securities Exchange Act of 1934.

"Force Majeure" means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not have been foreseen by such Party (or such Person), or, if it could have been foreseen, was unavoidable, and includes, acts of God, storms, floods, riots, fires, pandemics, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources.

"GAAP" means the accounting principles generally accepted in the United States of America.

"Governmental Authority" means any federal, state, provincial, municipal, local or foreign government, governmental authority, legislative, judicial, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, arbitral body (public or private) or tribunal, and the governing body of any securities exchange or other self-regulating organization.

"Governmental Order" means any order, judgment, injunction, decree, writ, ruling, stipulation, determination or award, in each case, entered by or with any Governmental Authority.

"Group Company" means each of the Company and its Subsidiaries.

"Indebtedness" means, with respect to any Person, without duplication, any obligations, contingent or otherwise, in respect of (a) the principal of and premium (if any) in respect of all indebtedness for borrowed money, including accrued interest and any per diem interest accruals, and any amount required to redeem any redeemable securities, (b) the principal and interest components of capitalized lease obligations under GAAP, (c) amounts drawn (including any accrued and unpaid interest) on letters of credit, bank guarantees, bankers' acceptances and other similar instruments, (d) the principal of and premium (if any) in respect of obligations evidenced by bonds, debentures, notes and similar instruments, (e) the unpaid Taxes for all taxable periods (or portions thereof) ending on or prior to the Closing Date, to the extent due and payable, calculated on a jurisdiction-by-jurisdiction basis in amounts not less than zero, (f) the termination value of interest rate protection agreements and currency obligation swaps, hedges or similar arrangements (without duplication of other indebtedness supported or guaranteed thereby), (g) the principal component of all obligations to pay the deferred and unpaid purchase price of property and equipment which have been delivered, including "earn outs" and "seller notes", (h) unpaid management fees, (i) unpaid bonus, severance and deferred compensation obligations (whether or not accrued), together with the employer portion of any payroll Taxes due on the foregoing amounts (including, for the avoidance of doubt, any such Taxes which may be deferred pursuant to a COVID-19 Measure), (j) breakage costs, prepayment or early termination premiums, penalties, or other fees or expenses payable as a result of the consummation of the Transactions in respect of any of the items in the foregoing clauses (a) through (i), and (k) all Indebtedness of another Person referred to in clauses (a) through (j) above guaranteed directly or indirectly, jointly or severally.

"Intellectual Property" means all intellectual property, industrial property and proprietary rights anywhere in the world, including: (i) patents, patent applications, patent disclosures, invention disclosures, industrial designs, utility models, design patents and inventions (whether or not patentable), (ii) trademarks, service marks, trade names, trade dress, corporate names, logos, and other indicia of source or origin, and all registrations, applications and renewals in connection therewith, together with all goodwill associated therewith, (iii) copyrights, works of authorship, moral rights, and all registrations and applications in connection therewith, (iv) internet domain names and social media accounts, (v) trade secrets, know-how and confidential information, and (vi) Software.

"IT Systems" means all software, computer systems, servers, networks, computer hardware and equipment, data processing, information, record keeping, communications, telecommunications, interfaces, platforms, and peripherals, and other information technology platforms, networks and systems that are owned or controlled by the Company or any of its Subsidiaries or used in the conduct of their businesses, in each case, whether outsourced or not, together with data and information stored or contained in, or transmitted by, any of the foregoing, and documentation relating to any of the foregoing.

"Jia Jia" means Jia Jia BaiJiaYun Ltd., a company incorporated under the laws of the British Virgin Islands.

"Knowledge" means, with respect to the Company, the knowledge that each of the individuals listed on Schedule 1.01(A) actually has, or the knowledge that any of them would have actually had following a reasonable inquiry with his or her direct reports; and with respect to ListCo, the knowledge that each of the individuals listed on Schedule 1.01(B) actually has, or the knowledge that any of them would have actually had following a reasonable inquiry with his or her direct reports.

"Law" means any statute, act, code, law (including common law), ordinance, rule, regulation or Governmental Order, in each case, of any Governmental Authority.

"Lien" means any mortgage, charge, deed of trust, pledge, license, covenant not to sue, option, right of first refusal, offer or negotiation, hypothecation, encumbrance, easement, security interests, or other lien of any kind (other than, in the case of a security, any restriction on transfer of such security arising under Securities Laws).

"ListCo Class A Ordinary Share" means each Class A ordinary share, par value US$0.519008 per share, of ListCo after the Amendment becoming effective.

"ListCo Class B Ordinary Share" means each Class B ordinary share, par value US$0.519008 per share, of ListCo after the Amendment becoming effective.

"ListCo Group Company" means each of ListCo and its Subsidiaries.

"ListCo Group Holding Company" means any ListCo Group Company other than Fuwei Films (Shandong) Co., Ltd. (富维薄膜（山东）有限公司), a company incorporated under the Laws of the PRC.

"ListCo Major Shareholder" means Apex Glory Holdings Limited.

"ListCo Ordinary Share" means each ordinary share, par value US$0.519008 per share, of ListCo.

"ListCo Impairment Effect" means an event, circumstance, fact, change or development that has a material adverse effect on the ability of ListCo to consummate the Transactions, which shall include the failure by ListCo to maintain ListCo's continuous listing on, or the continuous listing of ListCo Ordinary Shares on, the Nasdaq.

"ListCo Organizational Documents" means the Organizational Documents of ListCo, as amended and/or restated (where applicable).

"ListCo Post-Closing M&AA" means the ListCo's amended and restated memorandum and articles of association to be, subject to the ListCo Shareholder Approval, effective from the Closing in a form reasonably prepared by the Company prior to the Closing and contemplating, among other things, the authorised share capital of the ListCo comprising two classes of ordinary shares, Class A and Class B, with Class B ordinary shares having fifteen (15) votes per share and Class A ordinary shares having one (1) vote per share and Class A and Class B ordinary shares always voting together as one class on matters submitted to the shareholders of ListCo.

"ListCo Shareholder Approval" means the affirmative vote of the ListCo Shareholders representing at least two-thirds of the voting power of the issued and outstanding ListCo Shares entitled to vote at a general meeting of the shareholders voting in person or by proxy, to approve the Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment.

"ListCo Shareholders" means any holder of ListCo Shares.

"ListCo Shares" means, prior to the adoption of the Post-Closing M&AA, the ListCo Ordinary Shares, and, upon the adoption of the Post-Closing M&AA, the ListCo Class A Ordinary Shares and the ListCo Class B Ordinary Shares.

"Material Adverse Effect" means, with respect to a Party, an effect, development, circumstance, fact, change or event that has a material adverse effect on (x) such Party and its Subsidiaries or the results of operations or financial condition of such Party and its Subsidiaries, in each case, taken as a whole or (y) the ability of such Party and its Subsidiaries to consummate the Transactions; provided, however, that, solely with respect to the foregoing clause (x), in no event would any of the following (or the effect of any of the following), alone or in combination, be deemed to constitute, or be taken into account in determining whether there has been or will be, a "Material Adverse Effect" (a) any change in Law, regulatory policies, accounting standards or principles (including GAAP) or any guidance relating thereto or interpretation thereof, in each case after the date hereof; (b) any change in interest rates or economic, political, business or financial market conditions generally (including any changes in credit, financial, commodities, securities or banking markets); (c) any change affecting any of the industries in which such Party and its Subsidiaries operate or the economy as a whole; (d) any epidemic, pandemic or disease outbreak (including COVID-19 and any COVID-19 Measures), (e) the announcement or the execution of this Agreement, the pendency of the Transactions, or the performance of this Agreement, including losses or threatened losses of employees, customers, suppliers, vendors, distributors or others having relationships with the Company and its Subsidiaries; (f) any weather conditions, earthquake, hurricane, tsunami, tornado, flood, mudslide, wild fire or other natural disaster, act of God or other force majeure event; (g) any acts of terrorism, sabotage, war, riot, the outbreak or escalation of hostilities, or change in geopolitical conditions; (h) any failure of the Company or its Subsidiaries to meet, with respect to any period or periods, any internal or industry analyst projections, forecasts, estimates or business plans (provided, however, that this clause (h) shall not prevent a determination that any change or effect underlying such failure to meet projections or forecasts has resulted in a Material Adverse Effect (to the extent such change or effect is not otherwise excluded from this definition of Material Adverse Effect)); provided, further, that any effect referred to in clauses (a), (b), (c), (d), (f) or (g) above may be taken into account in determining if a Material Adverse Effect has occurred to the extent it has a disproportionate and adverse effect on such Party and its Subsidiaries or the results of operations or financial condition of such Party and its Subsidiaries, in each case, taken as a whole, relative to other similarly situated businesses in the industries in which such Party and its Subsidiaries operate.

"Nasdaq" means The Nasdaq Stock Market LLC.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Organizational Documents" means, with respect to any Person that is not an individual, the articles or certificate of incorporation, registration or organization, bylaws, memorandum and articles of association, limited partnership agreement, partnership agreement, limited liability company agreement, shareholders agreement and other similar organizational documents of such Person.

"Owned Intellectual Property" means all Intellectual Property that is owned or purported to be owned by the Group Companies or the ListCo Group Companies (as applicable).

"Permitted Liens" means (i) statutory or common law Liens of mechanics, materialmen, warehousemen, landlords, carriers, repairmen, construction contractors and other similar Liens that arise in the ordinary course of business, that relate to amounts not yet delinquent or that are being contested in good faith through appropriate Actions or that may thereafter be paid without penalty to the extent appropriate reserves have been established in accordance with the applicable accounting standards, (ii) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business consistent with past practice, (iii) Liens for Taxes not yet delinquent or which are being contested in good faith through appropriate Actions for which appropriate reserves have been established in accordance with the applicable accounting standards, (iv) leases, subleases and similar agreements with respect to the Leased Company Real Property, (v) Liens, defects or imperfections on title, encumbrances and restrictions on real property (including easements, covenants, rights of way and similar restrictions of record) that (A) are matters of record, (B) would be discovered by a current, accurate survey or physical inspection of such real property or (C) do not materially interfere with the present uses of such real property, (vi) Liens (except with respect to Intellectual Property) that are not material to the Company and its Subsidiaries, taken as a whole, (vii) non-exclusive licenses of Intellectual Property granted to customers of the Company and its Subsidiaries and entered into in the ordinary course of business, (viii) Liens that secure obligations that are reflected as liabilities on the Most Recent Balance Sheet (which such Liens are referenced, or the existence of which such Liens is referred to, in the notes to Most Recent Balance Sheet), (ix) Liens securing any indebtedness of the Company or its Subsidiaries (including pursuant to existing credit facilities), (x) Liens arising under applicable Securities Laws, and (xi) with respect to an entity, Liens arising under the Organizational Documents of such entity.

"Person" means any individual, corporation, company, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other organization or entity of any kind or nature.

"PRC" means the People's Republic of China, but for purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan.

"Process" (or "Processing" or "Processed") means any access, collection, use, processing, storage, sharing, distribution, transfer, disclosure, sorting, treatment, manipulation, interruption, performance of operations on, enhancement, aggregation, alteration, destruction, security or disposal of any data of information (including Personal Information), or any IT System.

"Related Party" means, with respect to a Party, (a) any member, shareholder or equity interest holder who, together with its Affiliates, directly or indirectly holds no less than 5% of the total outstanding share capital of such Party or any of its Subsidiaries, (b) any director or officer of such Party or any of its Subsidiaries, in each case of clauses (a) and (b), excluding such Party or any of its Subsidiaries.

"Representative" means, as to any Person, any of the officers, directors, managers, employees, counsel, accountants, financial advisors, consultants, agents and other representatives of such Person.

"SAFE Circular 37" means the Notice on Issues Relating to the Administration of Foreign Exchange in Overseas Investment and Financing and Reverse Investment Activities of Domestic Residents Conducted via Special Purpose Vehicles issued by SAFE on July 14, 2014, which became effective as of July 14, 2014, or any successor rule or regulation under the PRC Law.

"Schedules" means the disclosure schedules delivered by ListCo and Merger Sub to and accepted by the Company dated as of the date of this Agreement.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933.

"Securities Laws" means the securities Laws of any Governmental Authority and the rules and regulations promulgated thereunder (including the Securities Act and the Exchange Act and the rules and regulations thereunder).

"Security Incident" means cyber or security incident with respect to any system (including IT Systems) or any data or information (including Personal Information), including any occurrence that actually or potentially likely jeopardizes the confidentiality, integrity, or availability of any system or any data or information, and any incident of security breach or intrusion, or denial of service, or any unauthorized Processing of any IT System or any data or information, or any loss, distribution, compromise or unauthorized access to, or disclosure of, any of the foregoing.

"Social Security Benefits" means any social insurance, pension insurance benefits, medical insurance benefits, work-related injury insurance benefits, maternity insurance benefits, unemployment insurance benefits and public housing provident fund benefits or similar benefits, in each case as required by any applicable Law or contractual arrangements.

"Software" means (i) software of any type, including computer programs, applications, middleware, software development kits, libraries, tools, interfaces, firmware, compiled or interpreted programmable logic, objects, bytecode, machine code, games, software implementations of algorithms, models and methodologies, in each case, whether in source code or object code form, (ii) data and databases, and (iii) documentation related to any of the foregoing; together with intellectual property, industrial property and proprietary rights in and to any of the foregoing.

"Subsidiary" means, with respect to a Person, any corporation, company or other organization (including a limited liability company or a partnership), whether incorporated or unincorporated, of which such Person directly or indirectly owns or controls a majority of the Equity Securities having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation, company or other organization or any organization of which such Person or any of its Subsidiaries is, directly or indirectly, a general partner or managing member, including those controlled through a variable-interest-entity structure or other similar contractual arrangement, and those whose assets and financial results are consolidated with the net earnings of such Person and are recorded on the books of such Person for financial reporting purposes in accordance with applicable accounting principles.

"Tax" means any federal, state, provincial, territorial, local, non-U.S. and other net income tax, alternative or add-on minimum tax, franchise tax, gross income, adjusted gross income or gross receipts tax, employment related tax (including employee withholding or employer payroll tax, social security or national health insurance), ad valorem, transfer, franchise, license, excise, severance, stamp, occupation, premium, personal property, real property, capital stock, profits, disability, registration, value added, estimated, customs duties, and sales or use tax, commodity tax or other tax or like assessment or charge, in each case imposed by any Governmental Authority, together with any interest, indexation, penalty, addition to tax or additional amount imposed with respect thereto (or in lieu thereof) by a Governmental Authority.

"Tax Return" means any return, report, statement, refund, claim, declaration, information return, statement, estimate or other document filed or required to be filed with a Governmental Authority in respect of Taxes, including any schedule or attachment thereto and including any amendments thereof.

"Transaction Agreements" means this Agreement, the Plan of Merger, the Deed of Adherence, the Lock-up Undertaking, the ListCo Post-Closing M&AA, and all the agreements, documents, instruments and certificates entered into in connection herewith or therewith and any and all exhibits and schedules thereto.

"Treasury Regulations" means the regulations promulgated under the Code.

"Warrantors" means collectively, ListCo and Merger Sub, and each, a "Warrantor".

Section 1.02 Construction.

(a) Unless expressly stated otherwise, (i) words of any gender include each other gender, (ii) words using the singular or plural number also include the plural or singular number, respectively, (iii) the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words refer to this entire Agreement, (iv) the terms "Article", "Section", "Schedule" and "Exhibit" refer to the specified Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified, (v) the word "including" shall mean "including without limitation," (vi) the word "or" shall be disjunctive but not exclusive and have the meaning represented by the term

"and/or", (vii) the phrase "to the extent" means the degree to which a subject matter or other thing extends, and such phrase shall not mean simply "if", and (viii) the words "shall" and "will" have the same meaning.

(b) Unless expressly stated otherwise, references to Contracts shall be deemed to include all subsequent amendments and other modifications thereto (subject to any restrictions on amendments or modifications set forth in this Agreement).

(c) Unless expressly stated otherwise, references to statutes shall include all regulations promulgated thereunder and references to Laws shall be construed as including all Laws consolidating, amending or replacing the Law.

(d) Any share number or per share amount referred to in this Agreement shall be appropriately adjusted to take into account any bonus share issue, share split, reverse share split, share dividend, reclassification, combination, exchange of shares, change or readjustment in change or similar event affecting the Company Ordinary Shares or the ListCo Ordinary Shares after the date of this Agreement.

(e) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent and no rule of strict construction shall be applied against any Party.

(f) Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. If any action is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action may be deferred until the next Business Day.

(g) The phrases "provided to" , "delivered to", "furnished to," or "made available to" a Party and phrases of similar import when used herein, unless the context otherwise requires, means that a copy of the information or material referred to has been made available to that Party no later than 11:59 p.m. (Hong Kong time) on the day prior to the date of this Agreement by delivery to that Party or its legal counsel via electronic mail or hard copy form.

(h) References to "$" or "dollar" or "US$" shall be references to United States dollars.

(i) References to "RMB" shall be references to Renminbi.

Section 1.03 Table of Defined Terms.

Term	Section
"Agreed ListCo Board Composition"	Section 7.05
"Agreement"	Preamble
"Alternative Transaction Proposal"	Section 8.05(a)
"Alternative ListCo Transaction Proposal"	Section 8.05(b)
"Amendment"	Recitals
"Authorizations"	Section 4.05
"Business"	Recitals
"Business Permits"	Section 4.12(a)
"Cayman Companies Act"	Recitals
"Closing"	Section 3.02
"Closing Date"	Section 3.02
"Closing Press Release"	Section 8.07(c)
"Company"	Preamble
"Company Board"	Recitals
"Company Benefit Plans"	Section 4.14(c)
"Company Parties"	Section 10.03(e)
"Company Termination Fee"	Section 10.03(a)
"DPA"	Section 4.23
"Effective Time"	Section 3.03
"Enforceability Exceptions"	Section 4.03
"Excluded Share"	Section 3.07(a)(ix)
"Expenses"	Section 11.05
"Federal Securities Laws"	Section 5.07(a)
"Financial Statements"	Section 4.09(a)
"HKIAC"	Section 11.12
"Initial Listing Application"	Section 8.02(a)(i)
"Intended Tax Treatment"	Recitals
"Interim Period"	Section 6.01
"Leased Company Real Property"	Section 4.16(b)
"Leased ListCo Real Property"	Section 5.19(b)
"Leases"	Section 4.16(b)
"ListCo"	Preamble
"ListCo Benefit Plan"	Section 5.13(a)

"ListCo Board"	Recitals
"ListCo Employees"	Section 5.13(a)
"ListCo Extraordinary General Meeting"	Section 8.02(b)
"ListCo Leases"	Section 5.19(b)
"ListCo Meeting Change"	Section 8.02(b)
"ListCo Parties"	Section 10.03(e)
"ListCo Permits"	Section 5.08(a)
"ListCo Termination Fee"	Section 10.03(b)
"Lock-up Undertaking"	Recitals
"Merger"	Recitals
"Merger Sub"	Preamble
"Most Recent Balance Sheet"	Section 4.09(a)
"Non-Recourse Party"	Section 11.15
"Non-Recourse Parties"	Section 11.15
"pdf"	Section 3.02
"Party"	Preamble
"Permitted Purposes"	Section 8.07(a)
"Personal Information"	Section 4.17(d)
"Plan of Merger"	Section 3.03
"Proxy Statement"	Section 8.02(a)(i)
"Sarbanes-Oxley Act"	Section 5.07(a)
"SEC Reports"	Section 5.07(a)
"Specified Contracts"	Section 4.13(a)
"Specified Representations"	Section 9.02(a)
"Surviving Entity"	Section 3.01
"Termination Date"	Section 10.01(g)
"Transaction Litigation"	Section 8.01(b)
"Transactions"	Recitals
"VAT"	Section 4.15(a)(v)

ARTICLE II
PRE-CLOSING TRANSACTIONS

Section 2.01 Pre-Closing Transactions; Amendment. On the Closing Date, immediately prior to the Effective Time, the ListCo Post-Closing M&AA shall be adopted and become effective.

ARTICLE III
THE MERGER; CLOSING

Section 3.01 The Merger. Upon the terms and subject to the conditions set forth in this Agreement or waiver by the Party having the benefit of such condition, and in accordance with the Cayman Companies Act, at the Effective Time, Merger Sub shall be merged with and into the Company (the "Merger"), with the Company being the surviving company (which is hereinafter referred to for the periods at and after the Effective Time as the "Surviving Entity") following the Merger and the separate corporate existence of Merger Sub shall cease and the Company shall continue as the Surviving Entity after the Merger and as a direct, wholly-owned subsidiary of ListCo.

Section 3.02 Closing. On the terms and subject to the conditions of this Agreement, the consummation of the Merger (the "Closing") shall take place electronically by the mutual exchange of electronic signatures (including portable document format ("pdf")) on the date that is two (2) Business Days following the date on which all conditions set forth in Article VII have been satisfied or waived (other than those conditions that by their terms or nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), or at such other place, time or date as ListCo and the Company may mutually agree in writing. The date on which the Closing occurs is referred to herein as the "Closing Date".

Section 3.03 Effective Time. On the terms and subject to the conditions set forth herein, on the Closing Date, following the consummation of the Amendment, the Company and Merger Sub shall execute a plan of merger in a customary form as reasonably agreed in writing between ListCo and the Company (the "Plan of Merger") and shall file the Plan of Merger and other documents as required to effect the Merger pursuant to the Cayman Companies Act with the Registrar of Companies of the Cayman Islands as provided in the applicable provisions of the Cayman Companies Act. The Merger shall become effective at the time when the Plan of Merger is registered by the Registrar of Companies of the Cayman Islands or such later time as Merger Sub and the Company may agree and specify in the Plan of Merger pursuant to the Cayman Companies Act subject to section 234 of the Cayman Companies Act (the "Effective Time").

Section 3.04 Effect of the Merger. The effect of the Merger shall be as provided in this Agreement, the Plan of Merger and the applicable provisions of the Cayman Companies Act. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Merger Sub and the Company shall become the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of the Surviving Entity, which shall include the assumption by the Surviving Entity of any and all agreements, covenants, duties and obligations of Merger Sub and the Company set forth in this Agreement to be performed after the Effective Time.

Section 3.05 Governing Documents. At the Effective Time, in accordance with the terms of the Plan of Merger and without any further action on the part of the Parties, the Company will adopt the memorandum and articles of association of Merger Sub, as in effect immediately prior to the Effective Time, as the memorandum and articles of association of the Surviving Entity, until thereafter changed or amended as provided therein or by applicable Law and the applicable provisions of such memorandum and articles of association; provided, that at the Effective Time, (a) all references therein to the name of Merger Sub shall be amended to "Baijiayun Limited" and (b) all references therein to the authorized share capital of the Surviving Entity shall be amended to refer to the authorized share capital of the Surviving Entity as approved in the Plan of Merger.

Section 3.06 Sole Director of the Surviving Entity. At the Effective Time, the Company Founder shall be the sole director of the Surviving Entity, holding office in accordance with the Organizational Documents of the Surviving Entity.

Section 3.07 Effect of Merger on Share Capital.

(a) On the terms and subject to the conditions set forth herein, at the Closing, by virtue of the Merger and without any further action on the part of any Party or any other Person, the following shall occur:

(i) Each Company Ordinary Share that is issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares and Company Ordinary Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio (the ListCo Class A Ordinary Shares issued pursuant to this Section 3.07(a) are referred to as the "Class A Ordinary Share Merger Consideration"), and from and after the Effective Time, all such Company Ordinary Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Ordinary Shares (other than any Excluded Shares and Company Ordinary Shares held by the Company Major Shareholders) that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Ordinary Shares, except as expressly provided herein.

(ii) The Company Ordinary Shares and the Company Preferred Shares that are issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares) and held by the Company Major Shareholders shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class B Ordinary Shares as is equal to the number of Company Ordinary Shares and Company Preferred Shares that is issued and outstanding immediately prior to the Effective Time (other than any Excluded Shares) and held by such Company Major Shareholder multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Ordinary Shares and Company Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each Company Major Shareholder shall thereafter cease to have any rights with respect to such Company Ordinary Shares and Company Preferred Shares, except as expressly provided herein.

(iii) Each Company Series A Preferred Share that is issued and outstanding immediately prior to the Effective Time (other than any Series A Preferred Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Series A Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Series A Preferred Shares that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Series A Preferred Shares, except as expressly provided herein.

(iv) Each Company Series A+ Preferred Share that is issued and outstanding immediately prior to the Effective Time (other than any Series A+ Preferred Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Series A+ Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Series A+ Preferred Shares that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Series A+ Preferred Shares, except as expressly provided herein.

(v) Each Company Series B Preferred Share that is issued and outstanding immediately prior to the Effective Time (other than any Series B Preferred Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Series B Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Series B Preferred Shares that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Series B Preferred Shares, except as expressly provided herein.

(vi) Each Company Series B+ Preferred Share that is issued and outstanding immediately prior to the Effective Time (other than any Series B+ Preferred Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Series B+ Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Series B+ Preferred Shares that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Series B+ Preferred Shares, except as expressly provided herein.

(vii) Each Company Series C Preferred Share that is issued and outstanding immediately prior to the Effective Time (other than any Series C Preferred Shares held by the Company Major Shareholders) shall be cancelled in exchange for the right to receive such number of validly issued, fully paid and non-assessable ListCo Class A Ordinary Shares as is equal to one (1) multiplied by the Conversion Ratio, and from and after the Effective Time, all such Company Series C Preferred Shares shall no longer be issued and outstanding and shall be cancelled and cease to exist, and each holder of Company Series C Preferred Shares that were issued and outstanding immediately prior to the Effective Time shall thereafter cease to have any rights with respect to such Company Series C Preferred Shares, except as expressly provided herein.

(viii) (A) Each Company Warrant that is issued and outstanding immediately prior to the Effective Time and held by a Company Major Shareholder, if any, shall cease to be a warrant with respect to applicable Company Shares and shall automatically, without any action on the part of the holder thereof, be converted into a warrant to acquire such number of shares of ListCo Class B Ordinary Shares as is equal to the number of applicable Company Shares underlying that Company Warrant multiplied by the Conversion Ratio. (B) Each Company Warrant that is issued and outstanding immediately prior to the Effective Time (other than any Company Warrants held by the Company Major Shareholders), if any, shall cease to be a warrant with respect to applicable Company Shares and shall automatically, without any action on the part of the holder thereof, be converted into a warrant to acquire such number of shares of ListCo Class A Ordinary Shares as is equal to the number of applicable Company Shares underlying that Company Warrant multiplied by the Conversion Ratio.

(ix) Each Company Share held in the Company's treasury or owned by ListCo or Merger Sub or any other wholly-owned subsidiary of ListCo or Merger Sub immediately prior to the Effective Time (each an "Excluded Share"), shall be automatically cancelled and extinguished without any conversion thereof or payment therefor.

(x) Each ListCo Ordinary Share that is issued and outstanding immediately prior to the Effective Time shall be automatically converted into and become one validly issued, fully paid and non-assessable ListCo Class A Ordinary Share.

(xi) Each ordinary share of Merger Sub that is issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and non-assessable ordinary share of the Surviving Entity. The ordinary shares of Merger Sub shall have the same rights, powers and privileges as the shares so converted and shall constitute the only issued and outstanding share capital of the Surviving Entity.

(b) *Certain Adjustments*. Notwithstanding anything in this Agreement to the contrary, the ListCo Shares issued pursuant to Section 3.07(a), as applicable, shall be adjusted appropriately to reflect the effect of any bonus share issue, share split, reverse share split, share dividend, reclassification, combination, exchange of shares, change or readjustment in change or similar event with respect to ListCo Shares such that the holders of Company Shares shall receive the same economic effect as contemplated by this Agreement prior to such action. The names of holders of Company Ordinary Shares, Company Series A Preferred Shares, Company Series A+ Preferred Shares, Company Series B Preferred Shares, Company Series B+ Preferred Shares, Company Series C Preferred Shares and the Company Warrants set out in the Company Disclosure Schedule hereto are based on the capitalization of the Company as of the date hereof, and the Persons receiving the ListCo Shares issued pursuant to Section 3.07(a)(i) to (viii) shall be the holders of Company Ordinary Shares, Company Series A Preferred Shares, Company Series A+ Preferred Shares, Company Series B Preferred Shares, Company Series B+ Preferred Shares, Company Series C Preferred Shares and the Company Warrants as of immediately prior to the Effective Time, and the allocation of the ListCo Shares pursuant to Section 3.07(a)(i) to (viii) shall be notified by the Company to ListCo prior to the Effective Time.

Section 3.08 Other Actions Upon Closing. On the terms and subject to the conditions set forth herein, at the Closing, the ListCo shall deliver to the Company Founder (or his designated person(s)) each u-key and each chop required to effect any payment by or out of any bank account of, and each common seal and each company chop of, ListCo.

Section 3.09 Withholding Rights. Each of the Parties and each of their respective Affiliates and any other Person making a payment under this Agreement shall be entitled to deduct and withhold (or cause to be deducted and withheld) from the consideration otherwise payable pursuant to this Agreement such amounts as are required to be deducted and withheld under applicable Tax Law. ListCo, the Company, the Surviving Entity, Merger Sub or their respective Affiliates or Representatives, as applicable, shall use commercially reasonable efforts to cooperate with such Person to reduce or eliminate any such requirement to deduct or withhold to the extent permitted by Law. To the extent that amounts are so withheld and timely remitted to the applicable Governmental Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to ListCo and Merger Sub as follows:

Section 4.01 Corporate Organization of the Company. The Company is an exempted company duly incorporated, is validly existing and is in good standing under the Laws of the Cayman Islands and has the corporate power and authority to own, operate and lease its properties, rights and assets and to conduct its business as it is now being conducted. The Company has made available to ListCo true and correct copies of the Organizational Documents of the Company and its Subsidiaries as in effect as of the date hereof. The Company is duly licensed or qualified and in good standing (where such concept is applicable) as a foreign entity in each jurisdiction in which the ownership of its property or the character of its activities is such as to require it to be so licensed or qualified, except where the failure to be so licensed or qualified would not, individually or in the aggregate, have a Material Adverse Effect.

Section 4.02 Subsidiaries. The Subsidiaries of the Company have been duly formed or organized, are validly existing under the Laws of their jurisdiction of incorporation or organization and have the corporate power and authority to own, operate and lease their respective properties, rights and assets and to conduct their business as it is now being conducted. Each Subsidiary of the Company is duly licensed or qualified as a foreign entity in each jurisdiction in which its ownership of property or the character of its activities is such as to require it to be so licensed or qualified, except where the failure to be so licensed or qualified would not have a Material Adverse Effect.

Section 4.03 Due Authorization. The Company has the requisite corporate power and authority to execute and deliver this Agreement, the Plan of Merger and each other Transaction Agreement to which it is or will be a party and (subject to the consents, approvals, authorizations and other requirements described in Section 4.04 or Section 4.05) to perform all obligations to be performed by it hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance of this Agreement, the Plan of Merger and such other Transaction Agreements and the consummation of the Transactions have been duly authorized by the board of directors of the Company and the Company Shareholders, and other than the consents, approvals, authorizations and other requirements described in Section 4.04 or Section 4.05, no other corporate proceeding on the part of the Company is necessary to authorize this Agreement or any other Transaction Agreements or the Company's performance hereunder or thereunder. This Agreement has been, and each of the Plan of Merger and such other Transaction Agreement has been or will be (when executed and delivered by the Company) duly and validly executed and delivered by the Company, and, assuming due and valid authorization, execution and delivery by each other party hereto and thereto, this Agreement constitutes, and each such other Transaction Agreement constitutes or will constitute, a valid and binding obligation of the Company, enforceable against the Company, in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting or relating to creditors' rights generally and subject, as to enforceability, to general principles of equity, whether such enforceability is considered in a proceeding in equity or at Law (the "Enforceability Exceptions").

Section 4.04 No Conflict. Subject to the receipt of the consents, approvals, authorizations, and other requirements set forth in Section 4.05, the execution, delivery and performance by the Company of this Agreement, the Plan of Merger and the other Transaction Agreements to which it is or will be a party and the consummation by the Company of the Transactions do not and will not, (a) contravene or conflict with, or trigger security holders' right that have not been duly waived under, the Organizational Documents of the Company or any of its Subsidiaries, (b) contravene or conflict with or constitute a violation of any provision of any Law, Permit or Governmental Order binding upon or applicable to the Company or any of its Subsidiaries or any of their respective assets or properties, (c) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default under, or result in the termination or acceleration of, or a right of termination, cancellation, modification, acceleration or amendment under, accelerate the performance required by, any of the terms, conditions or provisions of any Specified Contract or (d) result in the creation or imposition of any Lien on any asset, property or Equity Security of the Company or any of its Subsidiaries (other than any Permitted Liens), except in the case of clauses (b), (c) or (d) above as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 4.05 Governmental Authorities; Consents. Assuming the truth and completeness of the representations and warranties of each of the Warrantors contained in this Agreement, the Plan of Merger and the other Transaction Agreements to which it is or will be a party, no notice to, action by, consent, approval, permit or authorization of, or designation, declaration or filing with, any Governmental Authority (collectively, the "Authorizations") is required on the part of the Company with respect to each of their execution, delivery and performance of this Agreement and the other Transaction Agreements to which each is or will be a party and the consummation by the Company of the Transactions, except for (i) any Authorization the absence of which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (ii) the filing (A) with the SEC of the Proxy Statement and (B) of any other documents or information required pursuant to applicable requirements, if any, of applicable Securities Laws, (iii) compliance with and filings or notifications required to be filed with the state securities regulators pursuant to "blue sky" Laws and state takeover Laws as may be required in connection with this Agreement, the other Transaction Agreements or the Transactions, (iv) the filing of the Plan of Merger with the Registrar of Companies in the Cayman Islands and the publication of notification of the Merger in the Cayman Islands Government Gazette pursuant to the Cayman Companies Act, and (v) the Company Shareholder Approval.

Section 4.06 Capitalization.

(a) As of the date of this Agreement, the total outstanding Equity Securities of the Company are described in the Company Disclosure Schedule. The issued and outstanding Company Shares (i) have been duly authorized and validly issued and are fully paid and non-assessable; (ii) have been offered, sold and issued in compliance in all material respects with applicable Law and all requirements set forth in (1) the Organizational Documents of the Company and (2) any other applicable Contracts governing the issuance of such Equity Securities; (iii) are not subject to, nor have they been issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of any applicable Law, the Organizational Documents of the Company or any Contract to which the Company is a party or otherwise bound; and (iv) to the Knowledge of the Company, are free and clear of any Liens (other than restrictions arising under applicable Laws, the Company's Organizational Documents and the Transaction Agreements).

(b) Except as contemplated by the Organizational Documents of the Company or disclosed in the Company Disclosure Schedule, the Company Warrants, the Company Ordinary Shares and the Company Preferred Shares, there are no outstanding options, restricted stock, restricted stock units, equity appreciation, phantom stock, profit participation, equity or equity-based rights or similar rights with respect to the Equity Securities of, or other equity or voting interest in, the Company. Except as set forth in the Organizational Documents of the Company or disclosed in the Company Disclosure Schedule, (i) no Person is entitled to any preemptive or similar rights to subscribe for Equity Securities of the Company, and (ii) except for the Company Warrants and the Company Preferred Shares, there are no warrants, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or first offer or other Contract that could require the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem any Equity Securities of the Company, and (iii) there are no outstanding bonds, debentures, notes or other indebtedness of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter for which the Company Shareholders may vote.

(c) (i) There are no declared but unpaid dividends or distributions in respect of any Equity Securities of the Company and (ii) since June 30, 2021 through the date of this Agreement, the Company has not made, declared, set aside, established a record date for or paid any dividends or distributions.

Section 4.07 Capitalization of Subsidiaries.

(a) All of the issued and outstanding Equity Securities of each Subsidiary of the Company are beneficially, directly or indirectly, by the Company. Except as disclosed in the Company Disclosure Schedule, the Equity Securities of each of the Company's Subsidiaries (i) have been duly authorized and validly issued, and are, to the extent applicable, fully paid (or, in respect of Group Companies incorporated under the Laws of the PRC, partially paid in compliance with applicable Laws) and non-assessable in accordance with their Organizational Documents; (ii) have been offered, sold and issued in compliance in all material respects with applicable Law, and all requirements set forth in (1) the Organizational Documents of each such Subsidiary, and (2) any other applicable Contracts governing the issuance of such Equity Securities; (iii) except as provided under the Control Documents, are not subject to, nor have they been issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of any applicable Law, the Organizational Documents of each such Subsidiary or any Contract to which each such Subsidiary is a party or otherwise bound; and (iv) to the Knowledge of the Company, are free and clear of any Liens (other than restrictions arising under applicable Laws, the Company's Organizational Documents, the Transaction Agreements and the Control Documents), and, subject to the Laws of the applicable jurisdiction of incorporation or organization with respect to each Subsidiary of the Company, free of any restriction which prevents the payment of dividends to the Company or any of its Subsidiaries.

(b) Except as contemplated by the Organizational Documents of the relevant Subsidiary of the Company, there are no outstanding options, restricted stock, restricted stock units, equity appreciation, phantom stock, profit participation, equity or equity-based rights or similar rights with respect to the Equity Securities of, or other equity or voting interest, issued by any Subsidiary of the Company. Except as provided under the Control Documents, (i) no Person is entitled to any pre-emptive or similar rights to subscribe for Equity Securities of any Subsidiary of the Company, and (ii) there are no warrants, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or first offer or other Contract that could require any Subsidiary of the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem any Equity Securities of any Subsidiary of the Company. There are no outstanding bonds, debentures, notes or other indebtedness of any Subsidiary of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter for which the equity-holders of the Company's Subsidiaries may vote.

(c) As of the date of this Agreement, neither the Company nor any of its Subsidiaries owns any Equity Securities in any Person other than the Group Companies.

(d) Pursuant to the Control Documents, (i) Beijing Baishilian Technology Co., Ltd. (北京百视联科技有限公司) has exclusive control over the Domestic Company and its Subsidiaries and is entitled to all of the economic benefits from the operations of the Domestic Company and its Subsidiaries; and (ii) the Domestic Company is a "variable interest entity" of the Company and its financial results are consolidated into consolidated financial statements of the Company as if it were a wholly owned Subsidiary of the Company, under GAAP.

Section 4.08 Sufficiency of Assets. The assets, properties and rights of the Company and its Subsidiaries on the Closing Date constitute all of the material assets (real, personal, tangible, intangible or otherwise) used or held for use in the business (i) as it is currently operated and (ii) as is currently planned to be operated by the Company and its Subsidiaries, and are sufficient in all material respects to conduct and operate the above business from and after the Closing Date in substantially similar manner as (i) currently conducted and (ii) as planned, as of the Closing Date, to be operated by the Company and its Subsidiaries.

Section 4.09 Financial Statements; Absence of Changes.

(a) The Company has made available to ListCo copies of the unaudited consolidated balance sheets of the Company and its Subsidiaries as of June 30, 2021 (the "Most Recent Balance Sheet"), and the related unaudited consolidated statements of operations, of changes in shareholders' equity and of cash flows for the one year then ended (the "Financial Statements").

(b) To the Company's Knowledge, the Financial Statements present fairly, in all material respects, the financial position of the Company and its Subsidiaries as of the date and for the period indicated in such Financial Statements, and the results of their operations and cash flows for the year then ended in conformity with GAAP.

(c) The Company and its Subsidiaries have established and maintained systems of internal accounting controls. Such systems are designed to provide, in all material respects, reasonable assurance that (i) all material transactions are executed in accordance with management's authorization and (ii) all material transactions are recorded as necessary to permit preparation of proper and accurate financial statements in accordance with GAAP and to maintain accountability for the Company's and its Subsidiaries' assets. To the Knowledge of the Company, none of the Company or its Subsidiaries nor an independent auditor of the Company or its Subsidiaries has identified or been made aware of (i) any significant deficiency or material weakness in the system of internal accounting controls utilized by the Company and its Subsidiaries, (ii) any fraud, whether or not material, that involves the Company or its Subsidiaries' management or other employees who have a significant role in the preparation of financial statements or the internal accounting controls utilized by the Company or its Subsidiaries, or (iii) any claim or allegation regarding any of the foregoing.

(d) Since the date of the Most Recent Balance Sheet, through and including the date of this Agreement, no Material Adverse Effect has occurred.

Section 4.10 Undisclosed Liabilities. Neither the Company nor any of its Subsidiaries has any liability, debt, or obligation, whether accrued, contingent, absolute, determined, determinable or otherwise, except for liabilities, debts, or obligations (a) reflected or reserved for in the Financial Statements or disclosed in any notes thereto, (b) that have arisen since the date of the Most Recent Balance Sheet in the ordinary course of business of the Company and its Subsidiaries (none of which are liabilities, debts, or obligations resulting from or arising out of a breach of contract, breach of warranty, tort, violation of Law, or infringement or misappropriation), (c) incurred or arising under or in connection with the Transactions, including expenses related thereto, (d) arising, directly or indirectly, in connection with COVID-19, (e) that are executory obligations under Contracts (excluding any liabilities arising from a breach of Contracts), or (f) that would not, individually or in the aggregate, reasonably be expected to be material to the Company or its Subsidiaries.

Section 4.11 Litigation and Proceedings. There are no, and during the last two years there have been no pending or, to the Knowledge of the Company, threatened Actions by or against the Business, the Company or any of its Subsidiaries that, if adversely decided or resolved, had, or would reasonably be expected to result in liabilities to or obligations of the Company or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate. There is no Governmental Order imposed upon the Business, the Company or any of its Subsidiaries that would reasonably be expected to result in liabilities to or obligations of the Company or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate. Neither the Company nor any of its Subsidiaries is party to a settlement or similar agreement regarding any of the matters set forth in the two preceding sentences that contains any ongoing obligations, restrictions or liabilities (of any nature) that would reasonably be expected to result in liabilities to or obligations of the Company or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate.

Section 4.12 Compliance with Laws.

(a) Except where the failure to be, or to have been, in compliance with such Laws has not or would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as disclosed in the Company Disclosure Schedule, the Business is, and during the last two years has been, conducted in compliance with all applicable Laws in all material respects. Neither the Company nor any of its Subsidiaries has received any written notice from any Governmental Authority of a violation of any applicable Law at any time during the last two years with respect to the Business, except for any such violation which, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries hold, and for the last two (2) years have held, all material licenses, approvals, consents, registrations, franchises and permits necessary for the lawful conduct of the Business (the "Business Permits"), except for any failure to hold any Business Permits which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Business is, and during the last two years has been, in compliance with and not in default under such Business Permits, in each case except for such noncompliance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Without limiting the generality of the foregoing, all permits, licenses and approvals by, and filings and registrations and other requisite formalities with, the Governmental Authorities in the PRC that are required to be obtained or made in respect of each Group Company established in the PRC with respect to its establishment, capital structure, business and operations as it is now being conducted have been duly completed in accordance with applicable Laws of the PRC, except for such failure to complete that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. For any business carried out by any Group Company in the PRC, such Group Company has not violated any PRC Law that imposes any prohibition or restriction on foreign investment, except for such incompliance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in the Company Disclosure Schedule, each Group Company that is established in the PRC has been conducting its business activities within its permitted scope of business, and has been operating its business in compliance with all relevant legal requirements and with all requisite permits, licenses and approvals granted by, and filings and registrations made with the competent Governmental Authorities of the PRC, except for such noncompliance that would not, individually or in the aggregate, have a Material Adverse Effect.

(c) Each direct or indirect holder of Company Shares who is a PRC resident (as defined in the SAFE Circular 37) and subject to any of the registration or reporting requirements under any regulations and rules of the SAFE has registered with the SAFE as required pursuant to the SAFE Circular 37 with respect to any direct or indirect holdings of Company Shares. Neither the Company nor, to the Knowledge of the Company, such direct or indirect holder has received any inquiries, notifications, Governmental Orders or any other forms of official correspondence from the SAFE with respect to any actual or alleged non-compliance with any regulations and rules of the SAFE, including the SAFE Circular 37.

(d) Neither the Company nor any of its Subsidiaries, nor to the Knowledge of the Company, any Representative acting on behalf of the Company or any of its Subsidiaries, is or has been (i) identified on any sanctions-related list of restricted or blocked persons, including the list of Specially Designated Nationals and Blocked Persons maintained by the OFAC, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury of the United Kingdom, and the Consolidated List of Persons, Groups, and Entities Subject to EU Sanctions; (ii) organized, resident, or located in any country that is itself the subject of U.S. or applicable non-U.S. economic sanctions; or (iii) owned or controlled by any persons described in clause (i) or (ii).

(e) The Company and its Subsidiaries and, to the Knowledge of the Company, the Representatives acting on behalf of the Company and its Subsidiaries, are and, in the past two (2) years, have been in material compliance with applicable Laws relating to economic or financial sanctions (including those administered by OFAC, Her Majesty's Treasury of the United Kingdom, the European Union, or any EU member state).

Section 4.13 Contracts; No Defaults.

(a) For purposes of this Agreement, "Specified Contracts" shall mean all Contracts described below in this Section 4.13(a) that remain in effect as of the date of this Agreement and to which, as of the date of this Agreement, the Company or any of its Subsidiaries is a party: each Contract that is (i) material and related to the conduct and operations of its Business and properties; (ii) material and involve any of the officers, consultants, directors, employees or shareholders of the Company or any of its Subsidiaries; or (iii) obligate the Company or any of its Subsidiaries to share, license or develop any material product or technology involving a contract value more than RMB10,000,000; (iv) one of the Control Documents, or (v) involving the establishment, contribution to, or operation of a partnership, joint venture or involving a sharing of profits or losses, or any investment in, loan to or acquisition or sale of the securities, equity interests or assets of any Person. For purposes of this Section 4.13(a), "material" shall mean any agreement, contract, indebtedness, liability, arrangement or other obligation either: (x) having an aggregate value, cost or amount in excess of RMB10,000,000 within any 12-month period or (y) not terminable by the Company or any of its Subsidiaries upon ninety (90) days' or less notice without incurring any penalty or obligation.

(b) Except for any Contract that has terminated, or will terminate, upon the expiration of the stated term thereof prior to the Closing Date and except as would not be reasonably expected to be material to the business of the Company and its Subsidiaries, taken as a whole, each Specified Contract (i) is in full force and effect and (ii) represents the legal, valid and binding obligations of the Company or one or more of its Subsidiaries party thereto and, to the Knowledge of the Company, represents the legal, valid and binding obligations of the other parties thereto, in each case, subject to the Enforceability Exceptions. Except as would not be reasonably expected to be material to the business of the Company and its Subsidiaries, taken as a whole, the Company and its Subsidiaries have performed in all respects all respective obligations required to be performed by them to date under the Contracts and (x) neither the Company, the Company's Subsidiaries, nor, to the Knowledge of the Company any other party thereto is in breach of or default under any Specified Contract, (y) during the last twelve (12) months, neither the Company nor any of its Subsidiaries has received any written claim or written notice of termination or breach of or default under any Specified Contract, and (z) to the Company's Knowledge, no event has occurred which individually or together with other events, would reasonably be expected to result in a material breach of or a default under any Specified Contract by the Company or its Subsidiaries or, to the Company's Knowledge, any other party thereto (in each case, with or without notice or lapse of time or both).

(c) Other than in the ordinary course of business, none of the top five largest customers and suppliers of the Business, taken as a whole, based on dollar amount of revenue and cost respectively for the calendar year ended December 31, 2021 (collectively, the "Top Customers/Suppliers"), has terminated, or to the Knowledge of the Company, given notice that it intends to terminate any of its business relationship with the Business. There has been no material dispute or controversy or, to the Knowledge of the Company, threatened material dispute or controversy between the Business, on the one hand, and any Top Customer/Supplier, on the other hand.

Section 4.14 Labor Matters.

(a) The Business is and has been during the past two years in compliance in all material respects with all applicable Laws respecting labor, employment, immigration, fair employment practices, terms and conditions of employment, workers' compensation, occupational safety, plant closings, mass layoffs, worker classification, exempt and non-exempt status, compensation and benefits, Social Security Benefits, and wages and hours, except for any such incompliance which, individually or in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any of its Subsidiaries is party to or bound by (i) any collective bargaining agreement or other Contract with any labor union, labor organization or works council or any arrangement with an employer organization or (ii) arrangements with a labor union, works council or labor organization. There is no, and since December 31, 2020 there has been no, organized labor dispute, labor grievance or strike, lockout, picketing, hand billing, slowdown, concerted refusal to work overtime, work stoppage, or other material labor dispute against or affecting the Business, in each case, pending or, to the Knowledge of the Company, threatened.

(c) Each benefit or similar plan relating to Company Employees or other service providers of the Company or any of its Subsidiaries (collectively the "Company Benefit Plans") has been established, maintained, funded and administered in compliance in all material respects with applicable Laws. Neither the execution and delivery of this Agreement by the Company nor the consummation of the transactions contemplated hereunder (including the Merger) could (whether alone or in connection with any subsequent event(s)) (A) result in the acceleration, funding or vesting of any material compensation or benefits to any current or former director, officer, employee, consultant or other service provider of the Company or its Subsidiaries under any Company Benefit Plan, or (B) result in the payment by the Company or any of its Subsidiaries to any current or former employee, officer, director, consultant or other service provider of the Company or its Subsidiaries of any severance pay or any increase in severance pay (including the extension of a prior notice period or any golden parachute) upon any termination of employment or service or the cancellation of any material benefit or payment to any Company Employee.

Section 4.15 Tax Matters.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

(i) all Tax Returns required to be filed by the Company or its Subsidiaries have been filed (taking into account extensions) and all such Tax Returns are true, correct and complete in all material respects;

(ii) all Taxes (whether or not shown as due on Tax Returns) required to be paid by the Company and its Subsidiaries have been paid;

(iii) there is no material Action with respect to Taxes of the Company or any of its Subsidiaries that is pending or otherwise in progress or has been threatened in writing by any Governmental Authority within the last three years;

(iv) the Company and each of its Subsidiaries has complied in all material respects with all applicable Laws relating to the collection, withholding, reporting and remittance of Taxes;

(v) if the Company or any of its Subsidiaries is required to be registered for any value-added tax ("VAT") in any jurisdiction, then it is so registered in each applicable jurisdiction and the Company or the applicable Subsidiary has complied with all Laws and Governmental Orders in respect of any VAT, maintains full and accurate records with respect thereto and has not been subject to any interest, forfeiture, surcharge or penalty or been a member of an affiliated, consolidated or similar group with any other company for purposes of VAT; and

(b) Neither the Company nor any of its Subsidiaries has taken any action (nor permitted any action to be taken) that would reasonably be expected to prevent, impair, or impede the Intended Tax Treatment.

Section 4.16 Real Property.

(a) Neither the Company nor any of its Subsidiaries owns any real property.

(b) The Company or its applicable Subsidiary, as applicable, has a valid leasehold interest in all real property leased by the Company or any of its Subsidiaries ("Leased Company Real Property"). All material leases for the Leased Company Real Property under which the Company or any of its Subsidiaries is a lessee (collectively, the "Leases") are in full force and effect and are enforceable in accordance with their respective terms, subject to the Enforceability Exceptions. None of the Company or any of its Subsidiaries has received any written notice of any, and to the Knowledge of the Company there is no, material default under any such Lease.

(c) The Company or its applicable Subsidiary has good and marketable title to, or a valid and binding leasehold or other interest in, all material tangible personal property necessary for the conduct of the business of the Company and its Subsidiaries, taken as a whole, as currently conducted, free and clear of all Liens, other than Permitted Liens.

Section 4.17 Intellectual Property, Privacy and Data Security.

(a) The Company and its Subsidiaries (i) exclusively own all Owned Intellectual Property and (ii) have valid and enforceable rights to all other Intellectual Property that is material to the conduct of their businesses as currently conducted.

(b) To the Knowledge of the Company, neither the Company nor any of the Subsidiaries nor the conduct of the business of the Company or any of its Subsidiaries is infringing upon, misappropriating or otherwise violating any Intellectual Property rights of any third party, or has infringed upon, misappropriated or otherwise violated any Intellectual Property rights of any third party during the past two (2) years, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the Knowledge of the Company, no third party is infringing upon, misappropriating or otherwise violating any Owned Intellectual Property in any manner that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Except for those that have no Material Adverse Effect, the Company and its Subsidiaries have in place commercially reasonable measures designed to protect and maintain the confidentiality of all trade secrets and other material confidential information included in the Owned Intellectual Property. To the Knowledge of the Company, there has been no unauthorized access, use or disclosure, in each case that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, of any source code, trade secrets or other material confidential information of the Company.

(d) In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively "Personal Information"), the Company and its Subsidiaries are and have been in the past two (2) years, to the Knowledge of the Company, in compliance in all material respects with all applicable Laws in relevant jurisdictions. The Company and its Subsidiaries have commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by them or on their behalf from and against unauthorized access, use and/or disclosure. The Company and its Subsidiaries are and have been, to the Knowledge of the Company, in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations.

(e) The Company and its Subsidiaries have in place commercially reasonable measures designed to protect the confidentiality, integrity and security of the IT Systems, and commercially reasonable back-up and disaster recovery procedures designed for the continued operation of their businesses in the event of a failure of the IT Systems. In the past two (2) years, to the Knowledge of the Company, there has been no material Security Incident, including that has resulted in the unauthorized access, use, disclosure, modification, encryption, loss, or destruction or other Processing of any information or data contained or stored therein or transmitted thereby, nor any failures, or continued substandard performance of, the IT Systems that have caused any material disruption or interruption in the use of the IT Systems or the conduct of the business of the Company or any of its Subsidiaries, in each case with respect to such failures or continued substandard performance that has not been remedied or remediated without material expense or liability, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its Subsidiaries are in compliance, and for the past two (2) years have been in compliance, in all material respects with all Data Security Requirements. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, taken as a whole, to the Knowledge of the Company, there is no current Action pending against the Company or any of its Subsidiaries, including by any Governmental Authority, with respect to their collection, retention, storage, security, disclosure, transfer, disposal, use, or other Processing of any Personal Information. There has not been any Action during the past two years and there is no Action pending, or, to the Knowledge of the Company, threatened in writing, and neither the Company nor any of its Subsidiaries has received any written notice during the past two years, relating to any Security Incident or any non-compliance with any Data Security Requirements, except Actions that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Transactions do not and will not result in any violation or breach by the Company or its Subsidiaries of or any liabilities of the Company or its Subsidiaries in connection with, any Data Security Requirements.

Section 4.18 Brokers' Fees. Except as disclosed to ListCo on or prior to the date hereof, no broker, finder, financial advisor, investment banker or other Person is entitled to any brokerage fee, finders' fee or other similar fee, commission or other similar payment in connection with the Transactions based upon arrangements made by or on behalf of the Company or any of its Subsidiaries.

Section 4.19 Related Party Transactions. Except for arm's length transactions entered into in the ordinary course of business, no Related Party of the Company is presently a party to any material transaction with the Company (other than for services as Company Employees), including any material Contract providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring material payments to or from, any Related Party or, to the Knowledge of the Company, any other Person in which any Related Party has a substantial or material interest in or of which any Related Party is an officer, director, trustee or partner.

Section 4.20 Information Supplied. None of the information supplied or to be supplied by the Company or any of its Subsidiaries specifically in writing for inclusion in (i) the Proxy Statement will, at the date on which the Proxy Statement is first mailed to the ListCo Shareholders or at the time of the ListCo Extraordinary General Meeting, and (ii) the Initial Listing Application will, at the date it is first submitted to the Nasdaq, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, the Company makes no representation, warranty or covenant with respect to any information supplied by or on behalf of ListCo or its Affiliates.

Section 4.21 Insurance. Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, each Group Company has purchased insurance policies that are mandatorily required to be obtained by such Group Company pursuant to applicable Law.

Section 4.22 Control Documents.

(a) Each party to any of the Control Documents has full power and authority to enter into, execute and deliver such Control Document to which it is a party and each other agreement, certificate, document and instrument to be executed and delivered by it pursuant to the Control Documents and to perform the obligations of such party thereunder. The execution and delivery by such party of each Control Document to which it is a party and the performance by such party of its obligations thereunder have been duly authorized by such party. Each Control Document is in full force and effect, and represents the legal, valid and binding obligations of the parties named therein enforceable in accordance with its terms, subject to the Enforceability Exceptions.

(b) (i) No party to any Control Document is in breach or default in the performance or observance of any of the terms or provisions of such Control Document, and (ii) none of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto to the Company's Knowledge, except, in each case of (i) through (ii), as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 4.23 U.S. Business. No Group Company is a "U.S. business" within the meaning of Section 721 of the Defense Production Act of 1950, as amended, or any of its implementing regulations (together, the "DPA"). No Group Company engages in (a) the design, fabrication, development, testing, production or manufacture of one or more "critical technologies" within the meaning of the DPA, (b) the ownership, operation, maintenance, supply, manufacture, or servicing of "covered investment critical infrastructure" within the meaning of the DPA (where such activities are covered by column 2 of Appendix A to 31 C.F.R. Part 800); or (c) the maintenance or collection, directly or indirectly, of "sensitive personal data" of U.S. citizens within the meaning of the DPA.

Section 4.24 Status of Company Shareholders. To the Knowledge of the Company, each Company Shareholder (i) is not a "U.S. person" as defined in Rule 902 of Regulation S promulgated under the Securities Act, or (ii) is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act, or a "qualified institutional buyer" as defined in Rule 144A under the Securities Act. To the Knowledge of the Company, U.S. persons hold no more in the aggregate than 10% of the outstanding shares of the Company such that the issuance of ListCo shares in the Merger to such U.S. persons will be exempt from the registration and prospectus delivery requirements of the Securities Act by virtue of Rule 802 promulgated thereunder.

Section 4.25 No Other Representations. Except as provided in this Article IV, none of the Company, or the Company Shareholders, or any other Person has made, or is making, any representation or warranty whatsoever in respect of the Business, the Company, or the Company's Subsidiaries.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF WARRANTORS

Except as set forth in the Schedules to this Agreement delivered by the Warrantors dated as of the date of this Agreement, or except as set forth in any of ListCo's SEC Reports filed with or furnished to the SEC prior to the date of this Agreement (excluding any disclosures in any "risk factors" or "forward-looking statements" section that do not constitute statements of fact, disclosures in any forward-looking statements disclaimers and other disclosures that are generally cautionary, predictive or forward-looking in nature), each Warrantor represents and warrants to the Company as follows:

Section 5.01 Corporate Organization.

(a) Each of ListCo and its Subsidiaries is duly incorporated, validly existing and in good standing under the Laws of its jurisdiction of incorporation or organization and has the corporate power and authority to own, operate and lease its properties, rights and assets and to conduct its business as it is now being conducted. ListCo has made available to the Company true and correct copies of each of the ListCo Organizational Documents and the Organizational Documents of each Subsidiary of ListCo as in effect as of the date hereof. Each of ListCo and each Subsidiary of ListCo is duly licensed or qualified and in good standing (where such concept is applicable) as a foreign entity in each jurisdiction in which the ownership of its property or the character of its activities is such as to require it to be so licensed or qualified, except where failure to be so licensed or qualified would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or materially impair the ability of ListCo to consummate the Transactions or otherwise have a Material Adverse Effect.

(b) Merger Sub will be formed solely for the purpose of engaging in the Transactions, and, from the date of its incorporation, will not conduct any business and will have no assets, liabilities or obligations of any nature other than those incident to its formation and pursuant to this Agreement and any other Transaction Agreement to which it is a party, as applicable.

Section 5.02 Due Authorization.

(a) Each of ListCo and Merger Sub has all requisite corporate power and authority to execute and deliver this Agreement, the Plan of Merger and each other Transaction Agreement to which it is or will be a party and (subject to the consents, approvals, authorizations and other requirements described in Section 5.03 or Section 5.05) to perform all obligations to be performed by it hereunder and thereunder and to consummate the Transactions. The execution, delivery and performance of this Agreement, the Plan of Merger and such other Transaction Agreements and the consummation of the Transactions have been duly and validly authorized and approved by the board of directors of ListCo, the sole shareholder of Merger Sub, the board of directors of Merger Sub and no other corporate or equivalent proceeding on the part of ListCo or Merger Sub is necessary to authorize this Agreement, the Plan of Merger or such other Transaction Agreements or ListCo's or Merger Sub's performance hereunder or thereunder (except that the ListCo Shareholder Approval is a condition to the consummation of the Merger). This Agreement has been, and each of the Plan of Merger and such other Transaction Agreement has been or will be (when executed and delivered by ListCo and Merger Sub) duly and validly executed and delivered by ListCo and Merger Sub and, assuming due authorization and execution by each other party hereto and thereto, this Agreement constitutes, and each of the Plan of Merger and such other Transaction Agreement constitutes or will constitute a legal, valid and binding obligation of ListCo and Merger Sub, enforceable against ListCo and Merger Sub in accordance with its terms, subject to the Enforceability Exceptions.

(b) At a meeting duly called and held, the board of directors of ListCo has unanimously: (i) approved and declared advisable this Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment, (ii) determined that this Agreement and the Transactions, including the Merger and the Amendment are in the best interest of ListCo and the ListCo Shareholders, and (iii) resolved to recommend to its shareholders that they approve the Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment.

(c) At a meeting duly called and held, the board of directors of Merger Sub has unanimously: (i) approved and declared advisable this Agreement and the other Transaction Agreements and the Transactions, including the Merger, (ii) determined that this Agreement and the Transactions, including the Merger, are in the best interest of Merger Sub and its sole shareholder, and (iii) resolved to recommend the adoption of this Agreement by the sole shareholder of Merger Sub.

(d) The board of directors of the ListCo, the sole shareholder of Merger Sub has approved this Agreement and the other Transaction Agreements and the Transactions, including the Merger and the Amendment, subject to the ListCo Shareholder Approval.

Section 5.03 No Conflict. Subject to the receipt of the consents, approvals, authorizations and other requirements set forth in Section 5.05 and obtaining the ListCo Shareholder Approval, the execution, delivery and performance of this Agreement and any other Transaction Agreement to which ListCo or Merger Sub is a party, and the consummation of the Transactions do not and will not in any material respect (a) contravene or conflict with or violate any provision of, or result in the breach of, or trigger security holders' right that have not been duly waived under, the ListCo Organizational Documents or the Organizational Documents of any of its Subsidiaries, (b) contravene or conflict with or constitute a violation of any provision of any Law or Governmental Order binding upon or applicable to ListCo or any of its Subsidiaries, (c) violate, conflict with, result in a breach of any provision of or the loss of any benefit under, constitute a default under, or result in the termination or acceleration of, or a right of termination, cancellation, modification, acceleration or amendment under, accelerate the performance required by, any of the terms, conditions or provisions of any Contract to which ListCo or any of its Subsidiaries is a party, or (d) result in the creation or imposition of any Lien upon any of the properties, assets of ListCo or any of its Subsidiaries, except in the case of each of clauses (b) through (d) as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.04 Litigation and Proceedings. There are no, and during the past two years there have been no, pending or, to the Knowledge of ListCo, threatened Actions by or against ListCo or any of its Subsidiaries that, if adversely decided or resolved, had, or would reasonably be expected to result in liability to or obligations of ListCo or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate. There is no Governmental Order currently imposed upon ListCo or any of its Subsidiaries that would reasonably be expected to result in liability to or obligations of ListCo or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate. Neither ListCo nor any of its Subsidiaries is not a party to any settlement or similar agreement regarding any of the matters set forth in the two preceding sentences that contains any ongoing obligations, restrictions or liabilities (of any nature) that would reasonably be expected to result in liability to or obligations of ListCo or any of its Subsidiaries in an amount in excess of US$2,000,000 individually or US$4,000,000 in the aggregate.

Section 5.05 Governmental Authorities; Consents. Assuming the truth and completeness of the representations and warranties of the Company contained in this Agreement and the other Transaction Agreements to which it is or will be a party, no Authorization is required on the part of ListCo or Merger Sub with respect to the execution, delivery and performance of this Agreement and the other Transaction Agreements by each of ListCo and Merger Sub to which it is or will be a party and the consummation of the Transactions, except for (i) any Authorization the absence of which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (ii) the filing with the SEC of (A) the Proxy Statement (B) any other documents or information required pursuant to applicable requirements, if any, of applicable Securities Laws, and (C) such reports under Section 13(a) or 15(d) of the Exchange Act as may be required in connection with this Agreement, the other Transaction Agreements or the Transactions, (iii) compliance with and filings or notifications required to be filed with the state securities regulators pursuant to "blue sky" Laws and state takeover Laws as may be required in connection with this Agreement, the other Transaction Agreements or the Transactions, (iv) the filing of the Plan of Merger with the Registrar of Companies in the Cayman Islands and the publication of notification of the Merger in the Cayman Islands Government Gazette pursuant to the Cayman Companies Act, and (v) the ListCo Shareholder Approval.

Section 5.06 Brokers' Fees. Except as disclosed to the Company on or prior to the date hereof, no broker, finder, investment banker or other Person is entitled to any brokerage fee, finders' fee, underwriting fee, deferred underwriting fee, commission or other similar payment in connection with the Transactions based upon arrangements made by or on behalf of ListCo or any of its Affiliates.

Section 5.07 SEC Reports; Financial Statements; Sarbanes-Oxley Act; Undisclosed Liabilities.

(a) ListCo is a "foreign private issuer" as defined in Rule 405 of Regulation C under the Securities Act and Rule 3b-4 under the Exchange Act. In the past two years, ListCo has filed or furnished in a timely manner all required registration statements, reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC (collectively, including any statements, reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC subsequent to the date of this Agreement, each as it has been amended since the time of its filing and including all exhibits thereto, the "SEC Reports"), except for such noncompliance that, individually or in the aggregate, has not and would not reasonably be expected to have a Material Adverse Effect. Each SEC Report, as of their respective dates (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), complied as to form in all material respects with the applicable requirements of the Exchange Act, the Securities Act and the other U.S. federal securities laws and the rules and regulations of the SEC promulgated thereunder or otherwise (collectively, the "Federal Securities Laws") (including, as applicable, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and any rules and regulations promulgated thereunder). None of the SEC Reports, as of their respective dates (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. As of the date of this Agreement, there are no outstanding or unresolved comments from the SEC with respect to the SEC Reports. None of the SEC Reports filed on or prior to the date hereof is subject to ongoing SEC review or investigation as of the date hereof.

(b) The SEC Reports contain true and complete copies of the applicable financial statements of ListCo. The audited financial statements (including the notes and schedules thereto) and unaudited interim financial statements included in the SEC Reports complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present (subject, in the case of the unaudited interim financial statements included therein, to normal year-end adjustments and the absence of complete footnotes) in all material respects the financial position of ListCo as of the respective dates thereof and the results of their operations and cash flows for the respective periods then ended. ListCo does not have any material off-balance sheet arrangements that are not disclosed in the SEC Reports.

(c) ListCo has made available to the Company copies of the unaudited consolidated balance sheets of ListCo and its Subsidiaries as of December 31, 2021, and the related unaudited consolidated statements of operations, of changes in shareholders' equity and of cash flows for the one year then ended, and to ListCo's Knowledge, such financial statements present fairly, in all material respects, the financial position of ListCo and its Subsidiaries as of the date and for the period indicated therein, and the results of their operations and cash flows for the year then ended in conformity with GAAP.

(d) ListCo has established and maintains disclosure controls and procedures (as defined in Rule 13a-15 and Rule 15d-15 under the Exchange Act). Such disclosure controls and procedures are designed to ensure that material information relating to ListCo and other material information required to be disclosed by ListCo in the reports and other documents that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to ListCo's principal executive officer and principal financial officer. Such disclosure controls and procedures are effective in timely alerting ListCo's principal executive officer and principal financial officer to material information required to be included in ListCo's financial statements included in ListCo's periodic reports required under the Exchange Act.

(e) ListCo has not taken any action prohibited by Section 402 of the Sarbanes-Oxley Act. There are no outstanding loans or other extensions of credit made by ListCo or any of its Subsidiaries to any executive officer (as defined in Rule 3b-7 under the Exchange Act) or director of ListCo.

(f) Neither ListCo nor any of its Subsidiaries has any liabilities, debts or obligations, whether accrued, contingent, absolute, determined, determinable or otherwise, except for liabilities, debts or obligations (i) reflected or reserved for in the latest audited or un-audited financial statements or disclosed in any notes thereto, in each case as is published publicly or provided to the Company prior to the date hereof; (ii) that have arisen since December 31, 2021 in the ordinary course of business of ListCo and its Subsidiaries; (iii) incurred or arising under or in connection with the Transactions, including expenses related thereto; (iv) arising, directly or indirectly, in connection with COVID-19; (v) that are executory obligations under Contracts (excluding any liabilities arising from a breach of Contracts); (vi) incurred in connection with or incident or related to ListCo's incorporation or continuing corporate existence; (vii) that would not, individually or in the aggregate, reasonably be expected to be material to the ListCo or its Subsidiaries; or (viii) in the aggregate not exceeding US$20,000,000.

(g) The ListCo and its Subsidiaries have established and maintained systems of internal accounting controls. Such systems are designed to provide, in all material respects, reasonable assurance that (i) all material transactions are executed in accordance with management's authorization and (ii) all material transactions are recorded as necessary to permit preparation of proper and accurate financial statements in accordance with the applicable accounting standard and to maintain accountability for the ListCo's and its Subsidiaries' assets. To the Knowledge of the ListCo, none of the ListCo or its Subsidiaries nor an independent auditor of the ListCo or its Subsidiaries has identified or been made aware of (i) any significant deficiency or material weakness in the system of internal accounting controls utilized by the ListCo and its Subsidiaries, (ii) any fraud, whether or not material, that involves the ListCo or its Subsidiaries' management or other employees who have a significant role in the preparation of financial statements or the internal accounting controls utilized by the ListCo or its Subsidiaries, or (iii) any claim or allegation regarding any of the foregoing.

Section 5.08 Compliance with Laws.

(a) Each of ListCo and its Subsidiaries

- is, and since December 31, 2021 has been, in compliance in all material respects with all applicable Laws;

- has not received any written notice from any Governmental Authority of a material violation of any applicable Law since December 31, 2021;

- holds, and since December 31, 2021 has held, all material licenses, approvals, consents, registrations, franchises and permits necessary for the lawful conduct of the business of ListCo and the applicable Subsidiaries (the "ListCo Permits");

- is, and since December 31, 2021 has been, in compliance with and not in default in any material respect under such ListCo Permits;

in each case except with respect to any Subsidiaries of the ListCo (but not ListCo itself) any non-compliance, notice, default or lack of ListCo Permit that has not and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Neither the ListCo nor any of its Subsidiaries, nor to the Knowledge of the ListCo, any Representative acting on behalf of the ListCo or any of its Subsidiaries, is or has been (i) identified on any sanctions-related list of restricted or blocked persons, including the list of Specially Designated Nationals and Blocked Persons maintained by the OFAC, the Consolidated List of Financial Sanctions Targets maintained by Her Majesty's Treasury of the United Kingdom, and the Consolidated List of Persons, Groups, and Entities Subject to EU Sanctions; (ii) organized, resident, or located in any country that is itself the subject of U.S. or applicable non-U.S. economic sanctions; or (iii) owned or controlled by any persons described in clause (i) or (ii).

(c) The ListCo and its Subsidiaries and, to the Knowledge of the ListCo, the Representatives acting on behalf of the ListCo and its Subsidiaries, are and, in the past two (2) years, have been in material compliance with applicable Laws relating to economic or financial sanctions (including those administered by OFAC, Her Majesty's Treasury of the United Kingdom, the European Union, or any EU member state).

Section 5.09 Tax Matters.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a ListCo Impairment Effect:

(i) for the last three years, all Tax Returns required to be filed by ListCo or its Subsidiaries have been timely filed (taking into account extensions) and all such Tax Returns are true, correct and complete in all material respects;

(ii) for the last three years, all Taxes (whether or not shown as due on Tax Returns) required to be paid by ListCo or its Subsidiaries have been paid;

(iii) there is no material Action with respect to Taxes of ListCo or its Subsidiaries that is pending or otherwise in progress or has been threatened in writing by any Governmental Authority within the last three years;

(iv) for the last three years, ListCo and each of its Subsidiaries has complied in all material respects with all applicable Laws relating to the collection, withholding, reporting and remittance of Taxes;

(v) for the last three years, (A) there are no material assessments, deficiencies, adjustments or other claims with respect to Taxes that have been asserted, assessed or threatened against ListCo or its Subsidiaries that have not been paid or otherwise resolved in full, and (B) neither ListCo nor any of its Subsidiaries has entered into a written agreement or waiver extending any statute of limitations relating to the payment or collection of material Taxes that has not expired;

(vi) if ListCo or any of its Subsidiaries is required to be registered for VAT in any jurisdiction, then it so registered in each applicable jurisdiction and ListCo or the applicable Subsidiary has complied with all Laws and Governmental Orders in respect of any VAT, maintains full and accurate records with respect thereto and has not been subject to any interest, forfeiture, surcharge or penalty or been a member of an affiliated, consolidated or similar group with any other company for purposes of VAT;

(vii) neither ListCo nor any of its Subsidiaries is subject to material Tax in a country other than the country of its incorporation or formation by virtue of (A) having a permanent establishment or other place of business or (B) having a source of income in that jurisdiction;

(viii) for the last three years, no material written claim has been made by a Governmental Authority in a jurisdiction where ListCo or any of its Subsidiaries does not file Tax Returns that ListCo or any of its Subsidiaries is or may be subject to taxation by, or required to file any Tax Return in, that jurisdiction, which claim has not been fully resolved; and

(ix) neither ListCo nor any of its Subsidiaries will be required to pay any material Tax after the Closing Date as a result of any deferral of a payment obligation or advance of a credit with respect to Taxes to the extent relating to any action, election, deferral, filing, or request made or taken by ListCo or any of its Subsidiaries (including the non-payment of a Tax) on or prior to the Closing Date (including (A) the delay of payment of employment Taxes under any COVID-19 Measure or any similar notice or order or law, and (B) the advance refunding or receipt of credits under any COVID-19 Measure).

(b) Neither ListCo nor any of its Subsidiaries has taken any action (nor permitted any action to be taken), nor is it aware of any fact or circumstance, that would reasonably be expected to prevent, impair, or impede the Intended Tax Treatment.

Section 5.10 Capitalization.

(a) The authorized share capital of ListCo is 135,000,000 ordinary shares of a par value of US$0.519008 each. As of the date of this Agreement, 3,265,837 ordinary shares are issued and outstanding. No Equity Securities other than ordinary shares of ListCo have been issued or are outstanding. All of the issued and outstanding ordinary shares of ListCo (i) have been duly authorized and validly issued and are fully paid and non-assessable, (ii) were issued in full compliance with applicable Law, and all requirements set forth in (1) the Organizational Documents of ListCo and (2) any other applicable Contracts governing the issuance of such Equity Securities, (iii) are not subject to, nor have they been issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of any applicable Law, the Organizational Documents of ListCo or any Contract to which ListCo is a party or otherwise bound, and (iv) to the Knowledge of ListCo, are free and clear of any Liens (other than restrictions arising under applicable Laws, ListCo's Organizational Documents and the Transaction Agreements).

(b) All of the issued and outstanding shares of Equity Securities of the Subsidiaries of ListCo (i) have been duly authorized and validly issued and are fully paid and non-assessable, (ii) were issued in full compliance with applicable Law, and all requirements set forth in (1) the Organizational Documents of each such Subsidiary and (2) any other applicable Contracts governing the issuance of such Equity Securities, (iii) are not subject to, nor have they been issued in violation of, any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of any applicable Law, the Organizational Documents of each such subsidiary or any Contract to which each such Subsidiary is a party or otherwise bound, and (iv) to the Knowledge of ListCo, are free and clear of any Liens (other than restrictions arising under applicable Laws, each such Subsidiary's Organizational Documents and the Transaction Agreements).

(c) Except as set forth on Schedule 5.10(c) or otherwise disclosed in the Schedules, there are no outstanding options, restricted stock, restricted stock units, equity appreciation, phantom stock, profit participation, equity or equity-based rights or similar rights with respect to the Equity Securities of, or other equity or voting interest in ListCo. Except as disclosed in the SEC Reports or the Organizational Documents of ListCo, (i) no Person is entitled to any pre-emptive or similar rights to subscribe for Equity Securities of ListCo, and (ii) there are no warrants, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or first offer or other Contract that could require ListCo to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem any Equity Securities of ListCo. There are no outstanding bonds, debentures, notes or other indebtedness of ListCo or any of its Subsidiaries having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter for which ListCo Shareholders may vote. Except as disclosed in the SEC Reports, ListCo is not a party to any shareholders agreement, voting agreement or registration rights agreement relating to ListCo Shares or any other Equity Securities of ListCo.

(d) Schedule 5.10(d) contains a structure chart that depicts or otherwise lists each Subsidiary of ListCo, together with (i) the jurisdiction of organization or formation of each such Subsidiary, and (ii) the percentage of the outstanding issued share capital or registered capital, as the case may be, of each such Subsidiary. Neither ListCo nor any of its Subsidiaries owns any Equity Securities in any other Person or has any right, option, warrant, conversion right, stock appreciation right, redemption right, repurchase right, agreement, arrangement or commitment of any character under which a Person is or may become obligated to issue or sell, or give any right to subscribe for or acquire, or in any way dispose of, any Equity Securities of such Person.

(e) The ListCo Ordinary Shares, when issued in accordance with the terms hereof, shall be duly authorized and validly issued, fully paid and non-assessable and issued in compliance with all applicable Securities Laws and not subject to, and not issued in violation of, any Lien (other than restrictions arising under applicable Laws, the ListCo's Organizational Documents and the Transaction Agreements), purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of applicable Law, the ListCo's Organizational Documents, or any Contract to which ListCo is a party or otherwise bound.

(f) All of the issued and outstanding share capital of Merger Sub is, and at the Effective Time will be, owned by ListCo, free and clear of any Liens. Merger Sub was formed solely for the purpose of engaging in the Transactions, including the Merger, and it has not conducted any business prior to the date hereof and has no, and prior to the Effective Time, will have no, assets, liabilities or obligations of any nature other than those incident to its formation and capitalization and pursuant to this Agreement, the Merger and the other Transactions.

(g) There are no declared but unpaid dividends or distributions in respect of any Equity Securities of the ListCo and (ii) since December 31, 2021 through the date of this Agreement, the ListCo has not made, declared, set aside, established a record date for or paid any dividends or distributions.

Section 5.11 Material Contracts; No Defaults.

(a) For purposes of this Agreement, "Material ListCo Contracts" shall mean all Contracts described below in this Section 5.11(a) that remain in effect as of the date of this Agreement and to which, as of the date of this Agreement, the ListCo or any of its Subsidiaries is a party: each Contract that (i) is material and related to the conduct and operations of its business and properties; (ii) involves any of the Related Parties of the ListCo or any of its Subsidiaries that is not on arm's length terms; (iii) obligates the ListCo or any of its Subsidiaries to share, license or develop any material product or technology involving a contract value more than RMB10,000,000; (iv) involves the establishment, contribution to, or operation of a partnership, joint venture or involving a sharing of profits or losses, or any investment in, loan to or acquisition or sale of the securities, equity interests or assets of any Person; or (v) would be required to be filed by ListCo pursuant to Item 4 of the Instructions to Exhibits of Form 20-F under the Exchange Act. For purposes of this Section 5.11(a), "material" shall mean any agreement, contract, indebtedness, liability, arrangement or other obligation either: (x) having an aggregate value, cost or amount in excess of RMB10,000,000 within any 12-month period or (y) not terminable by the ListCo or any of its Subsidiaries upon ninety (90) days' or less notice without incurring any penalty or obligation.

(b) Except for any Contract that has terminated or will terminate upon the expiration of the stated term thereof prior to the Closing Date, with respect to any Contract of the type required to be filed as an exhibit to the SEC Reports, (i) such Contracts are in full force and effect and represent the legal, valid and binding obligations of ListCo, and, to the Knowledge of ListCo, the other parties thereto, and are enforceable by ListCo to the extent a party thereto in accordance with their terms, subject in all respects to the Enforceability Exceptions, (ii) ListCo and, to the Knowledge of ListCo, the counterparties thereto, are not in material breach of or material default (or would be in material breach, violation or default but for the existence of a cure period) under any such Contract, (iii) ListCo has not received any written claim or notice of material breach of or material default under any such Contract, (iv) no event has occurred which, individually or together with other events, would reasonably be expected to result in a material breach of or a material default under any such Contract by ListCo or any other party thereto (in each case, with or without notice or lapse of time or both) and (v) ListCo has not received written notice from any other party to any such Contract that such party intends to terminate or not renew any such Contract, in each case except for any circumstance that would not, individually or in the aggregate, reasonably be expected to have a ListCo Impairment Effect.

Section 5.12 Related Party Transactions. Except for arm's length transactions entered into in the ordinary course of business, no Related Party of the Listco is presently a party to any material transaction with the ListCo (other than for services as ListCo Employees).

Section 5.13 ListCo Benefit Plans.

(a) Each employee benefit plan, and each stock ownership, stock purchase, stock option, phantom stock, equity or other equity-based, severance, employment (other than offer letters that do not provide severance or change in control benefits), termination, individual consulting, retention, change-in-control, transaction, fringe benefit, pension bonus, incentive, deferred compensation, employee loan and all other benefit or compensation plans, polices, agreements or other arrangements (any such plan, policy, agreement or other arrangement of ListCo or any of its Subsidiaries, a "ListCo Benefit Plan") which are, in each case, contributed to, required to be contributed to, sponsored by or maintained by ListCo or any of its Subsidiaries for the benefit of any current or former employee, officer, director, contractor, consultant or other service provider of ListCo or its Subsidiaries (collectively, the "ListCo Employees") or under or with respect to which ListCo or any of its Subsidiaries has any material liability, contingent or otherwise, but not including any of the foregoing sponsored or maintained by a Governmental Authority or required to be contributed to or maintained pursuant to applicable Law, have been in compliance with applicable law in material aspects.

(b) ListCo does not have any employee incentive plan.

(c) Neither the execution and delivery of this Agreement by ListCo nor the consummation of the Mergers could (whether alone or in connection with any subsequent event(s)) (A) result in the acceleration, funding or vesting of any compensation or benefits to any current or former director, officer, employee, consultant or other service provider of ListCo or its Subsidiaries under any ListCo Benefit Plan, or (B) result in the payment by ListCo or any of its Subsidiaries to any current or former employee, officer, director, consultant or other service provider of ListCo or its Subsidiaries of any severance pay or any increase in severance pay (including the extension of a prior notice period or any golden parachute) upon any termination of employment or service or the cancellation of any material benefit or payment to any ListCo Employee.

Section 5.14 Labor Matters.

(a) No ListCo Group Company is party to or bound by any collective bargaining agreement or other arrangements with a labor union, employer organization, works council or labor organization. There is no, and since December 31, 2021 there has been no, material organized labor dispute, labor grievance or strike, lockout, picketing, hand billing, slowdown, concerted refusal to work overtime, work stoppage, or other material labor dispute against or affecting any ListCo Group Company, in each case, pending or, to the Knowledge of ListCo, threatened.

(b) Each ListCo Group Company is and has been in compliance in all material respects with all applicable Laws respecting labor, employment, immigration, fair employment practices, terms and conditions of employment, workers' compensation, occupational safety, plant closings, mass layoffs, worker classification, exempt and non-exempt status, compensation and benefits, Social Security Benefits, and wages and hours, except for any non-compliance which, individually or in the aggregate, has not had and would not reasonably be expected to have a ListCo Impairment Effect.

Section 5.15 Investment Company Act. Neither ListCo nor any of its Subsidiaries is, or immediately following the Closing will be, an "investment company" or a Person directly or indirectly "controlled" by or acting on behalf of an "investment company", in each case, within the meaning of the Investment Company Act of 1940, as amended.

Section 5.16 Absence of Changes Since December 31, 2021, except as expressly contemplated by this Agreement, each ListCo Group Company has conducted business in all material respects in the ordinary course, and without limiting the generality of the foregoing, there has not been (a) any event or occurrence that has had, or would reasonably be expected to have, individually or in the aggregate, a ListCo Impairment Effect; or (b) any declaration, setting aside or payment of any dividend or other distribution in cash, stock, property or otherwise in respect of any ListCo Group Company's Equity Securities, except for any dividend or distribution by a ListCo Group Company to another ListCo Group Company.

Section 5.17 Nasdaq Listing As of the date hereof, ListCo Ordinary Shares are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on the Nasdaq under the symbol "FFHL." Except as disclosed in the SEC Reports, ListCo has complied with the applicable listing requirements of the Nasdaq. Except as disclosed in the SEC Reports, ListCo has not received any notice from the Nasdaq or the SEC regarding the revocation of such listing or otherwise regarding the delisting of ListCo Ordinary Shares from the Nasdaq or the SEC, and there is no Action pending or, to the Knowledge of ListCo, threatened against ListCo by the Nasdaq or the SEC with respect to any intention by such entity to deregister ListCo Ordinary Shares or terminate the listing of ListCo Ordinary Shares on the Nasdaq. None of ListCo or its Affiliates has taken any action in an attempt to terminate the registration of ListCo Ordinary Shares under the Exchange Act except as contemplated by this Agreement.

Section 5.18 Information Supplied None of the information supplied or to be supplied by ListCo or any of its Subsidiaries specifically in writing for inclusion in (i) the Proxy Statement will, at the date on which the Proxy Statement is first mailed to the ListCo Shareholders or at the time of the ListCo Extraordinary General Meeting, and (ii) the Initial Listing Application will, at the date it is first submitted to the Nasdaq, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, ListCo makes no representation, warranty or covenant with respect to any information supplied by or on behalf of the Company or its Affiliates.

Section 5.19 Real Property.

(a) No ListCo Group Holding Company owns any real property.

(b) ListCo or its applicable Subsidiary, as applicable, has a valid leasehold interest in all real property leased by it ("Leased ListCo Real Property"). All material leases for the Leased ListCo Real Property under which ListCo or its applicable Subsidiary is a lessee (collectively, the "ListCo Leases") are in full force and effect and are enforceable in accordance with their respective terms, subject to the Enforceability Exceptions. None of the ListCo Group Companies has received any written notice of any, and to the Knowledge of ListCo there is no, material default under any such ListCo Lease.

(c) Each of ListCo and its Subsidiaries has good and marketable title to, or a valid and binding leasehold or other interest in, all material tangible personal property necessary for the conduct of the business of ListCo and its Subsidiaries, taken as a whole, as currently conducted, free and clear of all Liens, other than Permitted Liens.

Section 5.20 Intellectual Property, Privacy and Data Security.

(a) To the Knowledge of ListCo, neither ListCo nor any of the Subsidiaries nor the conduct of the business of ListCo or any of its Subsidiaries is infringing upon, misappropriating or otherwise violating any Intellectual Property rights of any third party, or has infringed upon, misappropriated or otherwise violated any Intellectual Property rights of any third party during the past two (2) years, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the Knowledge of ListCo, no third party is infringing upon, misappropriating or otherwise violating any Owned Intellectual Property in any manner that would reasonably be expected to have, individually or in the aggregate, a ListCo Impairment Effect.

(b) Except for those that have no ListCo Impairment Effect, ListCo and its Subsidiaries have in place commercially reasonable measures designed to protect and maintain the confidentiality of all trade secrets and other material confidential information included in the Owned Intellectual Property. To the Knowledge of ListCo, there has been no unauthorized access, use or disclosure, in each case that would reasonably be expected to have, individually or in the aggregate, a ListCo Impairment Effect, of any source code, trade secrets or other material confidential information of ListCo.

Section 5.21 Solvency.

(a) No ListCo Group Company is insolvent under the laws of its jurisdiction of incorporation.

(b) There are no proceedings in relation to any winding up, bankruptcy or other insolvency proceedings concerning any ListCo Group Company and, no events have occurred which, under applicable Laws, would justify such proceedings.

(c) To the Knowledge of ListCo, no steps have been taken to enforce any security over any material assets of any ListCo Group Company and no event has occurred to give the right to enforce such security.

Section 5.22 Holding Company. Each ListCo Group Holding Company is an investment holding company that holds shares in one or more other ListCo Group Companies, and since its incorporation it has not conducted any business activity and has not incurred any liability since its incorporation other than normal operating costs and expenses related to its compliance with relevant Laws and exchange rules, its incorporation and its functions as an investment holding company. None of the ListCo Group Holding Companies is a party to any contract other than contracts entered into in the ordinary course of its business as an investment holding company or for related purposes including compliance with applicable Laws and exchange rules and for the purpose of transactions contemplated hereunder. None of the ListCo Group Holding Companies has employed any employees since its incorporation. Notwithstanding the foregoing, ListCo is not a "shell company" within the meaning of Rule 12b-2 of the Exchange Act.

Section 5.23 U.S. Business.

(a) No ListCo Group Company is a "U.S. business" within the meaning of Section 721 of the DPA. No ListCo Group Company engages in (a) the design, fabrication, development, testing, production or manufacture of one or more "critical technologies" within the meaning of the DPA, (b) the ownership, operation, maintenance, supply, manufacture, or servicing of "covered investment critical infrastructure" within the meaning of the DPA (where such activities are covered by column 2 of Appendix A to 31 C.F.R. Part 800); or (c) the maintenance or collection, directly or indirectly, of "sensitive personal data" of U.S. citizens within the meaning of the DPA.

Section 5.24 Insurance. Except as would not reasonably be expected to be material to the ListCo and its Subsidiaries, taken as a whole, the ListCo and its Subsidiaries have purchased insurance policies that are mandatorily required to be obtained by the ListCo or its Subsidiaries pursuant to applicable Law.

Section 5.25 No Other Representations Except as provided in this Article V, none of ListCo, Merger Sub nor any other Person has made, or is making, any representation or warranty whatsoever in respect of ListCo or Merger Sub.

ARTICLE VI
COVENANTS OF THE COMPANY

Section 6.01 Conduct of Business From the date of this Agreement until the earlier of the Closing or the termination of this Agreement in accordance with its terms (the "Interim Period"), the Company shall, and shall cause its Subsidiaries to, except as expressly contemplated by this Agreement or any other Transaction Agreement, as consented to in writing by ListCo (which consent shall not be unreasonably conditioned, withheld or delayed) or as required by applicable Law, conduct and operate its business in the ordinary course of business in all material respects. Without limiting the generality of the foregoing, during the Interim Period, except as contemplated by this Agreement or any other Transaction Agreement or as disclosed in the Company Disclosure Schedule, as consented to by ListCo in writing (such consent not to be unreasonably conditioned, withheld or delayed), or as required by applicable Law, the Company shall not, and the Company shall cause its Subsidiaries not to:

(a) amend its memorandum and articles of association or other Organizational Documents, except (A) in the case of any of the Company's Subsidiaries only (excluding the Company itself), any such amendment which is not material to the business of the Company and its Subsidiaries, taken as a whole, or (B) as contemplated by the Transaction Agreements;

(b) liquidate, dissolve, reorganize or otherwise wind-up its business and operations, or propose or adopt a plan of complete or partial liquidation or dissolution, restructuring, recapitalization, reclassification or similar change in capitalization or other reorganization, except as contemplated by the Transaction Agreements or any liquidation or dissolution of any dormant Subsidiary);

(c) (i) issue, deliver, sell, transfer, pledge or dispose of, or place any Lien (other than a Permitted Lien) on, any Equity Securities of the Company or any of its Subsidiaries or (ii) issue or grant any options, warrants or other rights to purchase or obtain any Equity Securities of the Company or any of its Subsidiaries, in each case of (i) through (iii) other than (A) issuance of Company Preferred Shares upon exercise of the Company Warrants in accordance with the terms thereof, and (B) issuance of Company Ordinary Shares upon conversion of Company Preferred Shares in accordance with the Company's Organizational Documents;

(d) sell, assign, transfer, convey, lease, license, grant other rights under, abandon, allow to lapse or expire, fail to maintain, subject to or grant any Lien (other than Permitted Liens) on, or otherwise dispose of, any material assets, rights or properties (including material Intellectual Property), in each case in an amount exceeding US$3,000,000 and other than (i) the sale or license of goods and services to customers in the ordinary course of business, (ii) the sale or other disposition of inventory, tangible assets or equipment deemed by the Company in its reasonable business judgment to be obsolete or otherwise warranted in the ordinary course of business, (iii) grants of licenses of Intellectual Property in the ordinary course of business, (iv) as already contracted by the Company or any of its Subsidiaries, (v) disclosure of any confidential information of the Company and its Subsidiaries to any Person pursuant to valid and enforceable agreements to protect confidentiality, or (vi) transactions among the Company and its Subsidiaries or among its Subsidiaries;

(e) except for entries, modifications, amendments, waivers or terminations in the ordinary course of business or amendments of any equity pledge agreement that is a Control Document at the request of any competent PRC Governmental Authority, enter into, materially modify, materially amend, waive any material right under or terminate, any Specified Contract;

(f) directly or indirectly, acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by purchasing all of or a substantial equity interest in, or by any other manner, any business or any corporation, partnership, limited liability company, joint venture, association or other entity or Person or division thereof, in each case in an amount exceeding US$3,000,000;

(g) settle any Action if such settlement would require payment by the Company in an amount greater than US$5,000,000;

(h) other than in the ordinary course of business, (i) incur, create or assume any Indebtedness in an amount exceeding US$3,000,000, other than (x) ordinary course trade payables, (y) between the Company and any of its wholly owned Subsidiaries or between any of such wholly owned Subsidiaries or (z) in connection with borrowings, extensions of credit and other financial accommodations under the Company's and its Subsidiaries' existing credit facilities, notes and other existing Indebtedness as of the date of this Agreement and, in each case, any refinancings thereof, (ii) modify, in any material respect, the terms of any Indebtedness in an amount exceeding US$3,000,000, or (iii) guarantee the obligations of any Person for indebtedness for borrowed money in an amount exceeding US$3,000,000;

(i) make any loans or advance any money to any Person in an amount exceeding US$3,000,000, except for (i) advances in the ordinary course of business to employees, officers or directors of the Company or any of its Subsidiaries for expenses, (ii) prepayments and deposits paid to suppliers, consultants and contractors of the Company or any of its Subsidiaries in the ordinary course of business, (iii) trade credit extended to customers of the Company or any of its Subsidiaries in the ordinary course of business and (iv) advances or other payments among the Company and its Subsidiaries;

(j) make any capital expenditures that in the aggregate exceed US$3,000,000, other than any capital expenditure (or series of related capital expenditures) in the ordinary course of business;

(k) (i) split, combine, subdivide, reclassify or amend any terms of its Equity Securities, except for any such transaction by a wholly-owned Subsidiary of the Company that remains a wholly-owned Subsidiary of the Company after consummation of such transaction, (ii) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any of its Equity Securities, except for any redemption or repurchase of Equity Securities by any Subsidiary of the Company from the relevant shareholder of the Domestic Company in connection with any subscription of Equity Securities in the Company by such shareholder or any of its affiliates by exercise of the relevant Company Warrant, or (iii) declare, set aside, establish a record date for, make or pay any dividend or other distribution, payable in cash, shares, property or otherwise, with respect to any of its share capital;

(l) make any material change in accounting principles or methods of financial accounting materially affecting the reported consolidated assets, liabilities or results of operations of the Company and its Subsidiaries, other than as may be required by applicable accounting standards or applicable Law;

(m) make, change or revoke any material Tax election; change or revoke any material accounting method with respect to Taxes resulting in a material amount of additional Tax or filing of any amended Tax Return; file any material Tax Return; settle or compromise any material Tax claim or Tax liability; enter into any material closing agreement with respect to any Tax; defer any material Taxes as a result of a COVID-19 Measure; or surrender any right to claim a material refund of Taxes; or knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent, impair, or impede the Merger from qualifying for the Intended Tax Treatment, in each case except in the ordinary course of business consistent with its past practice; or

(n) enter into any Contract to do any action prohibited under this Section 6.01 above.

Notwithstanding anything to the contrary contained herein (including this Section 6.01), (x) nothing herein shall prevent the Company or any of its Subsidiaries from taking any COVID-19 Measures, any action that is taken (or not taken) in good faith as a result of, in response to or otherwise related to COVID-19 shall be deemed to be taken in the "ordinary course of business" for all purposes of this Section 6.01, and no such action (or failure to act) shall serve as a basis for ListCo to terminate this Agreement or assert that any of the conditions to the Closing contained herein have not been satisfied and (y) nothing in this Section 6.01 is intended to give ListCo or any of its Affiliates, directly or indirectly, the right to control or direct the business or operations of the Company or its Subsidiaries prior to the Closing, and prior to the Closing, the Company and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective businesses and operations.

Section 6.02 Inspection. Subject to confidentiality obligations and similar restrictions that may be applicable to information furnished to the Company or any of its Subsidiaries by third parties that may be in the Company's or any of its Subsidiaries' possession from time to time, and except for any information which (a) relates to the negotiation of this Agreement or the Transactions, (b) is prohibited from being disclosed by applicable Law or (c) on the advice of legal counsel of the Company would result in the loss of attorney-client privilege or other privilege from disclosure (provided that the Company will use commercially reasonable efforts to provide any information described in the foregoing clause (b) or (c) in a manner that would not be so prohibited or would not jeopardize privilege), during the Interim Period, the Company shall, and shall cause its Subsidiaries to, (x) upon reasonable advance notice from ListCo, afford to ListCo and its Representatives reasonable access to the properties, books, records and appropriate officers of the Company and its Subsidiaries during normal business hours in such manner as to not interfere with the normal operations of the Company and its Subsidiaries, and (y) use commercially reasonable efforts to furnish ListCo and such Representatives with financial and operating data and other information concerning the affairs of the Company and its Subsidiaries that are in the possession of the Company or its Subsidiaries, in each case of (x) and (y), as ListCo and its Representatives may reasonably request in writing solely for purposes of consummating the Transactions and so long as reasonably feasible or permissible under applicable Law and subject to appropriate COVID-19 Measures; provided that such access shall not include any invasive or intrusive investigations or testing, sampling or analysis of any properties, facilities or equipment of the Company or its Subsidiaries. All information obtained by ListCo and its Representatives under this Agreement shall be subject to Section 8.07 (*Confidentiality; Publicity*).

Section 6.03 No Trading. The Company acknowledges and agrees that it is aware, and that its Controlled Affiliates have been made aware of the restrictions imposed by U.S. federal securities laws and the rules and regulations of the SEC promulgated thereunder or otherwise and other applicable foreign and domestic Laws on a Person possessing material nonpublic information about a publicly traded company. The Company hereby agrees that it shall not purchase or sell any securities of ListCo in violation of such Laws, or knowingly cause or encourage any Person to purchase or sell any securities of ListCo in violation of such Laws.

Section 6.04 Taxes Relating to the Company Securities. The Company acknowledges and agrees that ListCo is not responsible for any and all taxes of any nature that are imposed by applicable Laws on holders of Company Securities in connection with Transactions.

ARTICLE VII
COVENANTS OF LISTCO

Section 7.01 Conduct of Business.

(a) During the Interim Period, ListCo shall, and shall cause its Subsidiaries to, except as expressly required by this Agreement or any other Transaction Agreement, as consented to by the Company in writing (which consent shall not be unreasonably withheld, delayed or qualified) or as required by applicable Law, conduct and operate its business in the ordinary course of business in all material respects. Without limiting the generality of the foregoing, during the Interim Period, except as expressly required by this Agreement or any other Transaction Agreement or as disclosed in the Schedules, as consented to by the Company in writing (which consent shall not to be unreasonably conditioned, withheld or delayed), or as required by applicable Law, ListCo shall not, and shall cause its Subsidiaries not to:

(i) change or amend its Organizational Documents except as expressly contemplated by the Transaction Agreements;

(ii) (A) declare, set aside, establish a record date for, make or pay any dividend or other distribution, payable in cash, shares, property or otherwise in respect of any outstanding Equity Securities; (B) issue, sell, grant, or offer to issue, sell, grant any Equity Securities; (C) split, subdivide, combine or reclassify any Equity Securities, or amend any terms of any Equity Securities; or (D) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any Equity Securities;

(iii) (A) fail to maintain its existence or merge, consolidate, combine or amalgamate with any Person, (B) purchase or otherwise acquire (whether by merging or consolidating with, purchasing any Equity Security in or a substantial portion of the assets of, or by any other manner) any business or any corporation, partnership, limited liability company, joint venture, association or other entity or Person or division thereof or (C) effect or commence any liquidation, dissolution, scheme of arrangement, merger, consolidation, amalgamation, restructuring, recapitalization, reorganization, public offering or similar transaction (other than the Transactions);

(iv) sell, assign, transfer, convey, lease, license, grant other rights under, abandon, allow to lapse or expire, fail to maintain, subject to or grant any Lien (other than Permitted Liens) on, or otherwise dispose of, any material assets, rights or properties (including material Intellectual Property) in each case in an amount exceeding US$3,000,000, and other than (i) the sale or license of goods and services to customers in the ordinary course of business, (ii) the sale or other disposition of inventory, tangible assets or equipment deemed by the ListCo in its reasonable business judgment to be obsolete or otherwise warranted in the ordinary course of business, (iii) grants of licenses of Intellectual Property in the ordinary course of business, (iv) as already contracted by the ListCo or any of its Subsidiaries, (v) disclosure of any confidential information of the ListCo and its Subsidiaries to any Person pursuant to valid and enforceable agreements to protect confidentiality, or (vi) transactions among the ListCo and its Subsidiaries or among its Subsidiaries;

(v) authorize, make or make any commitment with respect to, any capital expenditure exceeding US$50,000,000, other than any capital expenditure (or series of related capital expenditures) in the ordinary course of business;

(vi) make any loans, advances in, any other Person (including to any of its officers, directors, agents or consultants), make any change in its existing borrowing or lending arrangements for or on behalf of such Persons, or enter into any "keep well" or similar agreement to maintain the financial condition of any other Person;

(vii) make, change or revoke any material Tax election; change or revoke any material accounting method with respect to Taxes resulting in a material amount of additional Tax or filing of any amended Tax Return; settle or compromise any material Tax claim or Tax liability; file any Tax Return in a manner materially inconsistent with past practice; defer any material Taxes as a result of a COVID-19 Measure; or surrender any right to claim a material refund of Taxes; or knowingly take any action or knowingly fail to take any action, which action or failure to act would reasonably be expected to prevent, impair, or impede the Merger from qualifying for the Intended Tax Treatment, in each case except in the ordinary course of business consistent with its past practice;

(viii) enter into, renew or amend, in any material aspect, the terms of any transaction or Contract with a Related Party of the ListCo;

(ix) settle any pending or threatened Action if such settlement would require payment by the ListCo in an amount greater than US$5,000,000;

(x) incur, assume, guarantee or otherwise become liable for (whether directly, contingently or otherwise) or modify the terms of any Indebtedness with an amount exceeding US$3,000,000, other than (x) ordinary course trade payables, (y) between the ListCo and any of its wholly owned Subsidiaries or between any of such wholly owned Subsidiaries or (z) in connection with borrowings, extensions of credit and other financial accommodations under the ListCo's and its Subsidiaries' existing credit facilities, notes and other existing Indebtedness as of the date of this Agreement and, in each case, any refinancings thereof;

(xi) issue, offer, deliver, grant, sell, transfer, pledge or dispose of, or place any Lien on, or authorize or propose to issue, offer, deliver, grant, sell, transfer, pledge or dispose of, or place any Lien on, any Equity Securities or any options, warrants or other rights to purchase or obtain any Equity Securities, in each case other than the creation of any Lien on the ListCo's Equity Securities by any third party that is not a ListCo Group Company;

(xii) (with respect to ListCo only) engage in any transaction, activities or business, or enter into any Contract or arrangement, other than transactions, activities, business, Contracts or arrangements (A) in connection with or incident or related to its continuing corporate existence, (B) contemplated by, or incident or related to, this Agreement, any other Transaction Agreement, the performance of covenants or agreements hereunder or thereunder or the consummation of the Transactions or (C) those that are administrative or ministerial, in each case, which are immaterial in nature;

(xiii) change any accounting principles, policies, procedures or methods (including changes affecting the reported consolidated assets, liabilities or results of operations) other than as required by applicable accounting standards or applicable Law;

(xiv) other than in the ordinary course of business consistent with past practice, amend, modify, consent to the termination of, or waive any material rights under, any Material ListCo Contract;

(xv) fail to make in a timely manner any filings or registrations with the SEC required under the Securities Act or the Exchange Act or the rules and regulations promulgated thereunder;

(xvi) engage in the conduct of any new line of business;

(xvii) enter into any Contract with any broker, finder, investment banker or other Person under which such Person is or will be entitled to any brokerage fee, finders' fee or other commission in connection with the Transactions; or

(xviii) enter into any Contract, to do any action prohibited under this Section 7.01(a).

(b) During the Interim Period, ListCo shall, and shall cause its Subsidiaries to, comply with, and continue performing under, as applicable, its Organizational Documents, the Transaction Agreements (to the extent in effect during the Interim Period) and all other agreements or Contracts to which it is party.

(c) Notwithstanding anything to the contrary contained herein (including this Section 7.01), (x) nothing herein shall prevent the ListCo or any of its Subsidiaries from taking any COVID-19 Measures, any action that is taken (or not taken) in good faith as a result of, in response to or otherwise related to COVID-19 shall be deemed to be taken in the "ordinary course of business" for all purposes of this Section 7.01, and no such action (or failure to act) shall serve as a basis for the Company to terminate this Agreement or assert that any of the conditions to the Closing contained herein have not been satisfied and (y) nothing in this Section 7.01 is intended to give the Company or any of its Affiliates, directly or indirectly, the right to control or direct the business or operations of the ListCo or its Subsidiaries prior to the Closing, and prior to the Closing, the ListCo and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over their respective businesses and operations.

Section 7.02 Inspection. ListCo shall, and shall cause its Subsidiaries to, afford to the Company, its Affiliates and their respective Representatives reasonable access during the Interim Period, and with reasonable advance notice, to the books, Tax Returns, records, properties and appropriate officers and employees of ListCo and its Subsidiaries, and use its commercially reasonable efforts to furnish the Company, its Affiliates and their respective Representatives with all financial and operating data and other information concerning the affairs of ListCo and its Subsidiaries, in each case as the Company or any of its Affiliates or Representatives may reasonably request for purposes of the Transactions, and except for any information which (x) relates to the negotiation of this Agreement or the Transactions, (y) is prohibited from being disclosed by applicable Law or (z) on the advice of legal counsel of ListCo would result in the loss of attorney client privilege or other privilege from disclosure (provided that ListCo will use commercially reasonable efforts to provide any information described in the foregoing clauses (y) or (z) in a manner that would not be so prohibited or would not jeopardize privilege).

Section 7.03 ListCo Public Filings. From the date hereof through the Closing, ListCo shall file with or furnish to the SEC when required by the Federal Securities Laws all reports or information required to be filed with or furnished to the SEC under the Federal Securities Laws and otherwise comply in all material respects with its reporting obligations under the Federal Securities Laws.

Section 7.04 ListCo Listing. From the date hereof through the Closing, ListCo shall use commercially reasonable efforts to ensure that ListCo Ordinary Shares continue to be listed on the Nasdaq.

Section 7.05 ListCo Board Composition. Each of ListCo shall take all reasonably necessary actions to ensure that immediately prior to and immediate after the Closing, the ListCo Board shall consist of five (5) directors, four (4) of whom shall be designated by the Company in writing prior to the Closing and at least 2 (two) of whom shall meet the independence requirements of Rule 5605(c)(2)(A) of the Nasdaq rules (the "Agreed ListCo Board Composition"); provided, however, that (a) at least two (2) of the persons designated by the Company meet such requirements and otherwise are qualified to serve on the ListCo Board; (b) each person designated by the Company consents to service on the ListCo Board; (c) ListCo shall not be deemed to have breached this Section 7.05 if a director or person designated by the Company withdraws or resigns from the ListCo Board, dies, becomes disabled, is charged with, has committed or is convicted of an unlawful act or prohibited by applicable Law or Governmental Order from serving as a director of ListCo; and (d) ListCo shall not be deemed to have breached this Section 7.05 if a director or person designated by the Company refuses to agree to abide by ListCo policies applicable to all members of the Board, include ListCo's code of ethics.

Section 7.06 Merger Sub. ListCo shall, as soon as reasonably practicable after the date hereof, (a) incorporate the Merger Sub and cause the Merger Sub to execute and deliver to ListCo and the Company the Deed of Adherence; and (b) provide to the Company a copy of (i) the resolutions passed by the board of directors of Merger Sub and (ii) the resolutions passed by ListCo, as the sole shareholder of Merger Sub, in each case duly approving this Agreement and each other Transaction Agreement and the Transactions, including the Merger.

ARTICLE VIII
JOINT COVENANTS

Section 8.01 Efforts to Consummate.

(a) With respect to any requests, inquiries, Actions or other proceedings by or from Governmental Authorities, each of the Company, ListCo and Merger Sub shall (i) diligently and expeditiously defend and use commercially reasonable efforts to obtain any necessary clearance, approval, consent under any applicable Laws prescribed or enforceable by any Governmental Authority for the Transactions and to resolve any objections as may be asserted by any Governmental Authority with respect to the Transactions; and (ii) cooperate fully with each other in the defense of such matters. To the extent not prohibited by Law, the Company shall promptly furnish to ListCo, and ListCo and Merger Sub shall promptly furnish to the Company, copies of any notices or communications received by such Party or any of its Affiliates from any Governmental Authority with respect to the Transactions, and each such Party shall permit counsel to the other parties an opportunity to review in advance, and each such Party shall consider in good faith the views of such counsel in connection with, any proposed written communications by such Party or its Affiliates to any Governmental Authority concerning the Transactions. To the extent not prohibited by Law, the Company agrees to provide ListCo and its counsel, and ListCo agrees to provide to the Company and its counsel, the opportunity, to the extent practical, on reasonable advance notice, to participate in any material substantive meetings or discussions, either in person or by telephone, between such Party or any of its Affiliates or Representatives, on the one hand, and any Governmental Authority, on the other hand, concerning or in connection with the Transactions.

(b) During the Interim Period, ListCo, on the one hand, and the Company, on the other hand, shall each notify the other in writing promptly after learning of any shareholder demands or other shareholder proceedings (including derivative claims) relating to this Agreement, any other Transaction Agreements or any matters relating thereto (collectively, the "Transaction Litigation") commenced against, in the case of ListCo, any Subsidiary of ListCo or any of their respective Representatives (in their capacity as a representative of ListCo or any Subsidiary of ListCo) or, in the case of the Company, any Subsidiary of the Company or any of their respective Representatives (in their capacity as a representative of the Company or any Subsidiary of the Company). ListCo and the Company shall each (i) keep the other Party timely informed regarding any Transaction Litigation, (ii) give the other the opportunity to, at such other Party's own cost and expense, participate in the defense, settlement and compromise of any such Transaction Litigation and reasonably cooperate with the other in connection with the defense, settlement and compromise of any such Transaction Litigation, and (iii) consider in good faith the other's advice with respect to any such Transaction Litigation. Notwithstanding the foregoing, in no event shall ListCo (or any of its Representatives) on the one hand, or the Company (or any of its Representatives), on the other hand, settle or compromise any Transaction Litigation brought without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed).

(c) Each Party shall otherwise use its reasonable best efforts to cooperate with the other Parties to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws or otherwise to satisfy the conditions to closing set forth in Article IX and to consummate and make effective the Transactions.

Section 8.02 Proxy Statement; Initial Listing Application.

(a) *Proxy Statement*

(i) As promptly as practicable (and in any case within four (4) weeks) after the execution of this Agreement, ListCo with the cooperation and assistance of the Company shall prepare a proxy statement and other proxy materials reasonably satisfactory to the Company (such proxy statement, together with any amendments or supplements thereto, the "Proxy Statement") and mail the Proxy Statement to all the ListCo Shareholders in relation to the ListCo Extraordinary General Meeting. The Company shall use its reasonable best efforts to furnish to ListCo and its Representatives all information concerning itself, its Subsidiaries, officers, directors, managers, shareholders, and other equity-holders and information regarding such other matters as may be reasonably necessary or as may be reasonably requested in connection with the Proxy Statement, and will assist ListCo in drafting the portions of the Proxy Statement relating to the Company's business and operations. Concurrently with the preparation of the Proxy Statement, the ListCo, with the cooperation and assistance of the Company, shall prepare and cause to be submitted with the Nasdaq its initial listing application in connection with the Transactions (such application, together with any amendments or supplements thereto, the "Initial Listing Application"). Each of the Warrantors shall use its reasonable best efforts so that the Proxy Statement, the Initial Listing Application and all other materials mailed to ListCo's shareholders or the Nasdaq (as the case may be) will comply in all material respects with the applicable Laws. Each of the Company and the ListCo shall use its reasonable best efforts to respond promptly to any comments of the Nasdaq (as the case may be) with respect to the Initial Listing Application. Upon its receipt of any comments from the Nasdaq or its staff or any request from the Nasdaq (as the case may be) or its staff for amendments or supplements to the Initial Listing Application, the ListCo shall promptly (and in any event within one (1) Business Day) notify the Company and shall provide the Company with copies of all correspondence between the ListCo and its representatives, on the one hand, and the Nasdaq and its staff, on the other hand. Prior to submitting the Initial Listing Application to the Nasdaq or mailing the Proxy Statement (or in each case, any amendment or supplement thereto) or responding to any comments of the Nasdaq with respect thereto, the ListCo (i) shall provide the Company with a reasonable period of time to review and comment on such document or response and (ii) shall consider in good faith all additions, deletions or changes reasonably proposed by the Company in good faith.

(ii) Each of ListCo, Merger Sub and the Company agrees, as to itself and its respective Affiliates or Representatives, that none of the information supplied or to be supplied by ListCo, Merger Sub or the Company, as applicable, expressly for inclusion or incorporation by reference in the Proxy Statement, the Initial Listing Application or any other documents submitted or to be submitted to the SEC or the Nasdaq (as the case may be) in connection with the Transactions, will contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, that (x) no representation, warranty, covenant or agreement is made by the Company with respect to information supplied by any Warrantor or its Representatives for inclusion or incorporation by reference in the Proxy Statement, the Initial Listing Application or any other documents submitted or to be submitted to the SEC or the Nasdaq (as the case may be), and (y) no representation, warranty, covenant or agreement is made by the ListCo or Merger Sub with respect to information supplied by any Company or its Representatives for inclusion or incorporation by reference in such documents.

(iii) If, at any time prior to the Effective Time, any event or circumstance relating to the Company, ListCo, Merger Sub or their respective officers or directors, should be discovered by ListCo or the Company, as applicable, which should be set forth in an amendment or a supplement to the Proxy Statement, the Initial Listing Application or any other materials mailed to ListCo's shareholders so that such document would not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, such Party shall promptly inform the other Parties. Thereafter, ListCo, the Company and Merger Sub shall promptly cooperate in the preparation and filing of an appropriate amendment or supplement to the Proxy Statement, the Initial Listing Application or such other materials describing or correcting such information such that the Proxy Statement, the Initial Listing Application or such other materials (as the case may be) no longer contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading, and, to the extent required by Law, disseminate such amendment or supplement to the ListCo Shareholders; provided, that no information received by ListCo or the Company, as applicable, pursuant to this Section 8.02 shall operate as a waiver or otherwise affect any representation, warranty or agreement given or made by the party who disclosed such information, and no such information shall be deemed to change, supplement or amend the Schedules.

(iv) The Company shall use its commercially reasonable efforts to assist and cooperate with ListCo in ListCo's Initial Listing Application with the Nasdaq, including furnishing to ListCo and its Representatives all information concerning itself, its Subsidiaries, officers, directors, managers, shareholders, and other equity-holders and information regarding such other matters as may be reasonably necessary or as may be reasonably requested in connection with such Initial Listing Application, and assisting ListCo in drafting the portions of such Initial Listing Application relating to the Company's business and operations.

(b) *ListCo Extraordinary General Meeting*. ListCo shall, as soon as reasonably practicable but in any event no later than five (5) Business Days prior to the Termination Date (provided that ListCo has sent the Proxy Statement to the ListCo Shareholders pursuant to Section 8.02(a)(i)), establish a record date for, duly call and give notice of, convene and hold a meeting of ListCo Shareholders (the "ListCo Extraordinary General Meeting"), in each case in accordance with ListCo's Organizational Documents and applicable Law, for the purpose of (i) obtaining the ListCo Shareholder Approval, (ii) adopting or approving such other proposals as may be reasonably requested by the Company as necessary or appropriate in connection with the consummation of the Transactions, (iii) adopting or approving any other proposal that the Nasdaq (or the respective staff thereof) indicates is necessary, and (iv) related and customary procedural and administrative matters. ListCo shall use its commercially reasonable efforts to obtain such approvals and authorizations from the ListCo Shareholders at the ListCo Extraordinary General Meeting, including by soliciting proxies as promptly as practicable in accordance with applicable Law for the purpose of seeking such approvals and authorizations from the ListCo Shareholders. Notwithstanding anything to the contrary contained in this Agreement, ListCo shall be entitled to postpone or adjourn the ListCo Extraordinary General Meeting solely to the extent necessary (a "ListCo Meeting Change"): (x) to comply with applicable Law, (y) to ensure that any supplement or amendment to the Proxy Statement that the board of directors of ListCo has determined in good faith is required by applicable Law is disclosed to ListCo Shareholders and for such supplement or amendment to be promptly disseminated to ListCo Shareholders with sufficient time prior to the ListCo Extraordinary General Meeting for ListCo Shareholders to consider the disclosures contained in such supplement or amendment; or (z) if, as of the time for which the ListCo Extraordinary General Meeting is originally scheduled (as set forth in the Proxy Statement), there are insufficient ListCo Shares represented (either in person, virtually or by proxy) to constitute a quorum necessary to conduct the business to be conducted at the ListCo Extraordinary General Meeting; provided that, without the prior written consent of the Company (such consent not to be unreasonably withheld, delayed or conditioned), ListCo may only be entitled to one ListCo Meeting Change (excluding any postponements or adjournments required by applicable Law), and the ListCo Extraordinary General Meeting may not be adjourned or postponed to a date that is more than fourteen (14) Business Days after the date for which the ListCo Extraordinary General Meeting was originally scheduled (excluding any postponements or adjournments mandated by applicable Law) and provided it is held no later than three (3) Business Days prior to the Termination Date; provided, further, that in the event of a postponement or adjournment pursuant to clauses (y) or (z), the ListCo Extraordinary General Meeting shall be reconvened as promptly as practicable following such time as the matters described in such clauses have been resolved.

Section 8.03 D&O Indemnification and Insurance.

(a) From and after the Closing, ListCo shall indemnify and hold harmless each present and former director and officer of ListCo (solely to the extent acting in his or her capacity as such and to the extent such activities are related to the Transactions) (the "D&O Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any Action, whether civil, criminal, administrative or investigative, arising out of or pertaining to the Transactions, whether asserted or claimed prior to, at or after the Closing, to the fullest extent that ListCo would have been permitted under applicable Law and its memorandum and articles of association or other Organizational Documents in effect on the date of this Agreement to indemnify such D&O Indemnified Parties. From and after the Closing, ListCo will maintain a director indemnification agreement in customary form with each present and former director of ListCo (to the extent requested by such director) that provides, or ensure that its memorandum and articles of association or other Organizational Documents will provide, that on the terms and subject to the conditions set out therein, Listco shall advance, prior to the final disposition of any Action for which indemnification may be sought under this Section 8.03, promptly following request by such director therefor, all costs, fees and expenses (including reasonable attorneys' fees and investigation expenses) incurred by such director in connection with any such Action upon receipt of an undertaking by such director to repay such advances if it is ultimately decided that such director is not entitled to indemnification pursuant to that indemnification agreement, the Organizational Documents of ListCo or applicable law.

(b) ListCo shall use its commercially reasonable efforts to maintain in effect directors' and officers' liability insurance for such duration as may be agreed between ListCo and the Company covering those Persons who are currently covered by the Company's or ListCo's directors' and officers' liability insurance policies (including, in any event, the D&O Indemnified Parties) on terms substantially similar to the terms of such current insurance coverage.

(c) Notwithstanding anything contained in this Agreement to the contrary, this Section 8.03 shall survive the Closing indefinitely and shall be binding, jointly and severally, on ListCo and its successors and assigns. In the event that ListCo or its successors or assigns consolidates with or merges into any other Person and shall not be the continuing or surviving company or entity of such consolidation or merger or transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, ListCo shall ensure, and cause its Subsidiaries to ensure, that proper provision shall be made so that the successors and assigns of ListCo shall succeed to the obligations set forth in this Section 8.03.

(d) This Section 8.03 shall not be terminated or modified in any material respect as to adversely affect any D&O Indemnified Party without the consent of such D&O Indemnified Party.

Section 8.04 Company Shareholder Approval

The Company shall procure and submit to the ListCo, prior to the first submission or filing of the draft Proxy Statement on form 6-K, the Company Shareholder Approval and any other corporate authorizations of the Company (including applicable board resolutions) necessary or advisable for the execution and performance of all the Transaction Agreements and their obligations thereunder.

Section 8.05 Exclusivity.

(a) During the Interim Period, the Company shall not, and shall cause its Representatives and Subsidiaries not to, directly or indirectly, (i) initiate, solicit or encourage (including by way of providing confidential or non-public information) any inquiries, proposals or offers that constitute or would lead to any merger, business combination or other similar transaction involving the Company or its Subsidiaries that precludes or is mutually exclusive with the Transactions (an "Alternative Transaction Proposal"), (ii) engage or participate in any discussions, negotiations or transactions with any third party regarding any Alternative Transaction Proposal or that would lead to any such Alternative Transaction Proposal, or (iii) enter into any agreement or deliver any agreement or instrument (including a confidentiality agreement, letter of intent, term sheet, indication of interest, indicative proposal or other agreement or instrument) reflecting any Alternative Transaction Proposal; provided that the execution, delivery and performance of this Agreement and the other Transaction Agreements and the consummation of the Transactions shall not be deemed a violation of this Section 8.05(a). The Company agrees to promptly notify ListCo if the Company or any of its Representatives or Subsidiaries receives any offer or communication in respect of an Alternative Transaction Proposal, and will promptly communicate to ListCo in reasonable detail the terms and substance thereof, and the Company shall, and shall cause its Representatives and Subsidiaries to, cease any and all existing negotiations or discussions with any person or group of persons (other than ListCo and its Representatives) regarding an Alternative Transaction Proposal.

(b) During the Interim Period, ListCo shall not, and shall cause its Representatives and Subsidiaries not to, directly or indirectly, (i) initiate, solicit or encourage (including by way of providing confidential or non-public information) any inquiries, proposals or offers that constitute or would lead to any merger, business combination or other similar transaction involving ListCo or its Subsidiaries that precludes or is mutually exclusive with the Transactions (an "Alternative ListCo Transaction Proposal"), (ii) engage or participate in any discussions, negotiations or transactions with any third party regarding any Alternative ListCo Transaction Proposal or that would lead to any such Alternative ListCo Transaction Proposal, or (iii) enter into any agreement or deliver any agreement or instrument (including a confidentiality agreement, letter of intent, term sheet, indication of interest, indicative proposal or other agreement or instrument) related to any Alternative ListCo Transaction Proposal; provided that the execution, delivery and performance of this Agreement and the other Transaction Agreements and the consummation of the Transactions shall not be deemed a violation of this Section 8.05(b). ListCo agrees to promptly notify the Company if ListCo or any of its Representatives or Subsidiaries receives any offer or communication in respect of an Alternative ListCo Transaction Proposal, and will promptly communicate to the Company in reasonable detail the terms and substance thereof, and ListCo shall, and shall cause its Representatives and Subsidiaries to, cease any and all existing negotiations or discussions with any person or group of persons (other than the Company and its Representatives) regarding an Alternative ListCo Transaction Proposal.

Section 8.06 Tax Matters.

(a) Each of ListCo, the Company and Merger Sub shall (i) use its respective commercially reasonable efforts to cause the Merger to qualify, and agree not to, and not to permit or cause any of their Affiliates or Subsidiaries to, take any action which to its knowledge could reasonably be expected to prevent or impede the Transactions from qualifying, for the Intended Tax Treatment. Each of ListCo, the Company and Merger Sub shall report the Merger (including preparing and filing all Tax Returns) consistently with the Intended Tax Treatment and the immediately preceding sentence unless otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code. Each of the Parties agrees to promptly notify all other Parties of any challenge to the Intended Tax Treatment by any Governmental Authority. The Parties shall cooperate with each other and their respective tax counsel to document and support the Tax treatment of the Merger as a "reorganization" within the meaning of Section 368(a) of the Code.

(b) All transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes incurred in connection with this Agreement and the Transactions will be borne by the party responsible therefor under applicable Law.

(c) Each of the Parties shall (and shall cause their respective Affiliates to) cooperate fully, as and to the extent reasonably requested by another Party, in connection with the filing of relevant Tax Returns, and any audit or tax proceeding. Such cooperation shall include the retention and (upon the other Party's request) the provision (with the right to make copies) of records and information reasonably relevant to any tax proceeding or audit, making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

Section 8.07 Confidentiality; Publicity.

(a) Each Party agrees that during the Interim Period and for a period of three (3) years after the expiry of the Interim Period, they shall, and shall cause their respective Representatives to: (i) treat and hold in strict confidence any Confidential Information of any other Party that is disclosed to such Party or its Representatives, and, without the disclosing Party's prior written consent, will not use such Confidential Information for any purpose, except in connection with the evaluation, negotiation and consummation of the transactions contemplated by this Agreement or any other Transaction Agreement, performing their obligations hereunder or thereunder or enforcing their rights hereunder or thereunder (collectively, the "Permitted Purposes"), nor directly or indirectly disclose, distribute, publish, disseminate or otherwise make available to any third party any Confidential Information, except that each Party may disclose any Confidential Information (i) to its Affiliates, and its and its Affiliates' respective directors, officers, employees, partners, professional advisors, investors and permitted transferees, in each case on a need-to-know basis only for any of the Permitted Purposes and where such Persons are under appropriate nondisclosure obligations; or (ii) to the extent required by applicable Laws. In the event that a Party or any of its Representatives, during the Interim Period and for a period of three (3) years after the expiry of the Interim Period, becomes legally required to disclose any Confidential Information of any other Party, such Party shall provide the disclosing Party to the extent legally permitted with prompt written notice of such requirement so that the disclosing Party or a Representative thereof may seek, at the disclosing Party's cost, a protective order or other remedy, and in any event, it shall furnish only that portion of the Confidential Information which is legally required to be provided and to exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such Confidential Information. Notwithstanding the foregoing, each Party and its Representatives shall be permitted to disclose any and all Confidential Information to the extent required by the Federal Securities Laws, the staff of the SEC or the rules of the Nasdaq.

(b) None of the Parties or any of their respective Affiliates shall make any public announcement or issue any public communication regarding this Agreement or the Transactions, or any matter related to the foregoing, without first obtaining the prior consent of:

(i) (in the case where ListCo, ListCo Major Shareholder or any of their respective Affiliates proposes to make such public announcement or communication) the Company; or

(ii) (in the case where the Company or any of its Affiliates proposes to make such public announcement or communication) ListCo,

(which consent shall not be unreasonably withheld, conditioned or delayed), except if such announcement or other communication is required by applicable Law, in which case ListCo or the Company, as applicable, shall use their reasonable best efforts to coordinate such announcement or communication with the other Party, prior to announcement or issuance; provided that each Party and its Affiliates may make disclosure regarding the status and terms (including price terms) of this Agreement and the Transactions to their respective Affiliates, Representatives and limited partners or investors in the ordinary course of their respective businesses, in each case, so long as such recipients are obligated to keep such information strictly confidential; and provided that the foregoing shall not prohibit any Party from communicating with third parties to the extent necessary for the purpose of seeking any third party consent or with any Governmental Authorities under Section 8.01.

(c) Promptly after the execution of this Agreement, ListCo and the Company shall issue a mutually agreed joint press release announcing the execution of this Agreement. Prior to Closing, the Company shall prepare a press release announcing the consummation of the Transactions, the form and substance of which shall be approved in advance by ListCo, which approval shall not be unreasonably withheld, conditioned or delayed ("Closing Press Release"). Upon the Closing, the Company shall issue the Closing Press Release.

ARTICLE IX
CONDITIONS TO OBLIGATIONS

Section 9.01 Conditions to Obligations of All Parties. The obligations of the Parties to consummate, or cause to be consummated, the Merger are subject to the satisfaction at the Closing of the following conditions, any one or more of which may be waived (if legally permitted) in writing by all of the Parties:

(a) *No Prohibition*. There shall not be in force and effect any (i) Law or (ii) Governmental Order by any Governmental Authority of competent jurisdiction, in either case, enjoining, prohibiting, making illegal, materially restricting or taking any other actions against, or threatened to enjoin, prohibit, make illegal, materially restrict or take any other actions against the consummation of any Transaction.

(b) *ListCo Shareholder Approval*. The ListCo Shareholder Approval shall have been obtained and shall remain in full force and effect.

(c) *Company Shareholder Approval*. The Company Shareholder Approval shall have been obtained and shall remain in full force and effect.

(d) *Nasdaq Listing Application*. (i) ListCo shall have remained continuously listed on the Nasdaq, (ii) the Initial Listing Application shall have been approved by the Nasdaq, and (iii) immediately following the Closing, ListCo will satisfy any applicable initial listing requirements of the Nasdaq.

Section 9.02 Additional Conditions to Obligations of ListCo and Merger Sub. The obligations of ListCo and Merger Sub to consummate, or cause to be consummated, the Merger are subject to the satisfaction as of the Closing of each of the following additional conditions, any one or more of which may be waived (to the extent permitted by applicable Law) in writing by ListCo:

(a) *Representations and Warranties*.

(i) Each of the representations and warranties of the Company contained in Section 4.01 (*Corporate Organization of the Company*), Section 4.02 (*Subsidiaries*), Section 4.03 (*Due Authorization*), Section 4.07 (*Capitalization of Subsidiaries*), Section 4.18 (*Brokers' Fees*) and Section 4.24 (*Status of Company Shareholders*) (collectively, the "Specified Representations") that is (x) qualified by "materiality" or "Material Adverse Effect" or any similar limitation, shall be true and correct in all respects, and (y) not qualified by "materiality" or "Material Adverse Effect" or any similar limitation, shall be true and correct in all material respects, in the case of each of the foregoing clauses (x) and (y), as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date).

(ii) Each of the representations and warranties of the Company contained in Article IV (other than the Specified Representations and the representations and warranties contained in Section 4.06), shall be true and correct (without giving any effect to any limitation as to "materiality" or "Material Adverse Effect" or any similar limitation set forth therein) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date), except, in each case, where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect.

(iii) The representations and warranties set forth in Section 4.06 (*Capitalization*) shall be true and correct in all respects, other than *de minimis* inaccuracies, as of the Closing Date, as though then made.

(b) *Agreements and Covenants*. The covenants and agreements of the Company in this Agreement to be performed as of or prior to the Closing shall have been performed in all material respects.

(c) *Officer's Certificate*. The Company shall have delivered to ListCo a certificate, dated the Closing Date, to the effect that the conditions specified in Section 9.02(a) and Section 9.02(b) have been fulfilled.

(d) *No Material Adverse Effect*. Since the date of this Agreement, no Material Adverse Effect shall have occurred which is continuing and uncured.

Section 9.03 Additional Conditions to the Obligations of the Company. The obligation of the Company to consummate or cause to be consummated the Merger are subject to the satisfaction as of the Closing of each of the following additional conditions, any one or more of which may be waived (to the extent permitted by applicable Law) in writing by the Company:

(a) *Representations and Warranties*.

(i) Each of the representations and warranties contained in Article V (other than the representations and warranties contained in Section 5.01 (*Corporate Organization*), Section 5.02 (*Due Authorization*), Section 5.06 (*Brokers Fees*) and Section 5.10 (*Capitalization*)) shall be true and correct (without giving any effect to any limitation as to "materiality", Material Adverse Effect, ListCo Impairment Effect or any similar limitation set forth therein) as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date), except, in either case, where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a ListCo Impairment Effect.

(ii) Each of the representations and warranties contained in Section 5.01 (*Corporate Organization*), Section 5.02 (*Due Authorization*), Section 5.06 (*Brokers Fees*), and (b) and (d) of Section 5.10 (*Capitalization*) that is (x) qualified by "materiality", "Material Adverse Effect", "ListCo Impairment Effect" or any similar limitation, shall be true and correct in all respects, and (y) not qualified by "materiality", "Material Adverse Effect", "ListCo Impairment Effect" or any similar limitation, shall be true and correct in all material respects, in the case of each of the foregoing clauses (x) and (y), as of the Closing Date as though then made (except to the extent such representations and warranties expressly relate to an earlier date, and in such case, shall be true and correct on and as of such earlier date).

(iii) The representations and warranties contained in (a), (c), (e), (f) and (g) of Section 5.10 (*Capitalization*) shall be true and correct in all respects, other than *de minimis* inaccuracies, as of the Closing Date, as though then made.

(b) *Agreements and Covenants*. The covenants and agreements of the Warrantors in this Agreement to be performed as of or prior to the Closing shall have been performed in all material respects.

(c) *ListCo Board Composition*. The composition of the ListCo Board shall fully comply with the Agreed ListCo Board Composition.

(d) *ListCo Post-Closing M&AA*. The ListCo Post-Closing M&AA shall have been duly adopted and become effective.

(e) *Officer's Certificate*. ListCo shall have delivered to the Company a certificate signed by an officer of ListCo, dated the Closing Date, certifying that the conditions specified in Section 9.03(a) to Section 9.03(d) have been fulfilled.

(f) *No ListCo Impairment Effect*. Since the date of this Agreement, no ListCo Impairment Effect shall have occurred.

ARTICLE X
TERMINATION

Section 10.01 Termination. This Agreement may be validly terminated and the Transactions may be abandoned at any time prior to the Closing only as follows (it being understood and agreed that this Agreement may not be terminated for any other reason or on any other basis):

(a) by mutual written agreement of ListCo and the Company;

(b) by written notice from the Company or ListCo to the other, if there shall be in effect any (i) Law or (ii) Governmental Order (other than, for the avoidance of doubt, a temporary restraining order), that (x) in the case of each of clauses (i) and (ii), permanently restrains, enjoins, makes illegal or otherwise prohibits the consummation of the Merger, and (y) in the case of clause (ii) such Governmental Order shall have become final and non-appealable;

(c) by written notice from ListCo to the Company, if the Company has breached or failed to perform any of its representations, warranties, or covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in the failure of a condition set forth in Section 9.01 or Section 9.02 to be satisfied and (ii) is not cured by the Company before the 30th day following receipt of written notice from ListCo of such breach or failure to perform, provided that ListCo shall not have the right to terminate this Agreement pursuant to this Section 10.01(c) if it is then in material breach of any of its representations, warranties, covenants or other agreements contained in this Agreement;

(d) by written notice from the Company, if ListCo or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in the failure of a condition set forth in Section 9.01 or Section 9.03 to be satisfied and (ii) is not cured by ListCo or Merger Sub before the 30th day following receipt of written notice from the Company of such breach or failure to perform; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 10.01(d) if it is then in material breach of any of its representations, warranties, covenants or other agreements contained in this Agreement;

(e) by written notice from ListCo to the Company, if the Company fails to obtain the Company Shareholder Approval on or prior to fiftieth (50th) day following the date hereof;

(f) by written notice from the Company to ListCo, if ListCo fails to obtain the ListCo Shareholder Approval upon vote taken thereon at a duly convened ListCo Extraordinary General Meeting (or at a meeting of its shareholders following any adjournment or postponement thereof);

(g) by written notice from ListCo or the Company to the other, if the Closing shall not have been consummated on or prior to the Termination Date; for purposes of this Agreement, "Termination Date" means the date falling ninety (90) days after the date hereof; provided that, if, as of 11:59 p.m. (New York time) on the Termination Date, all conditions set forth in Sections 9.01 to 9.03 (other than those conditions that by their terms or nature are to be satisfied at the Closing) have been satisfied or waived, other than the conditions set forth in Section 9.01(d), then the Termination Date shall be automatically extended without the need for any action by any person, to the date falling one hundred and twenty (120) days after the date hereof; provided, further, that the Termination Date may be extended beyond the date falling one hundred and twenty (120) days after the date hereof if expressly so agreed in writing by ListCo and the Company;

provided, further, that (A) ListCo shall not have the right to terminate this Agreement pursuant to Section 10.01(e) if ListCo or Merger Sub has breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform would result in the failure of a condition set forth in Section 9.01 or Section 9.03 to be satisfied, and (B) the Company shall not have the right to terminate this Agreement pursuant to Section 10.01(f) if the Company has breached or failed to perform any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform would result in the failure of a condition set forth in Section 9.01 or Section 9.02 to be satisfied.

Section 10.02 Effect of Termination. Except as otherwise set forth in this Article X or Section 11.14, in the event of the termination of this Agreement pursuant to Section 10.01, this Agreement shall forthwith become void and have no effect, without any liability on the part of any Party or its Affiliates, or its Affiliates' Representatives, other than liability of any Party for any fraud or any intentional and willful breach of this Agreement by such Party occurring prior to such termination. The provisions of Section 8.07 (*Confidentiality; Publicity*), this Section 10.02 (*Effect of Termination*), Section 10.03 (*Termination Fee and Expenses*) and Article XI and any other Section or Article of this Agreement referenced in the foregoing provisions which are required to survive in order to give appropriate effect to the foregoing provisions, shall in each case survive any termination of this Agreement.

Section 10.03 Termination Fee and Expenses.

(a) The Company shall pay to ListCo an amount equal to RMB1,000,000 (the "Company Termination Fee") and reimburse ListCo all Expenses actually incurred by ListCo and its Subsidiaries in connection with the Transactions in an aggregate amount not exceeding US$1,000,000 (or equivalent in other currencies) (the "Reimbursement Cap") by wire transfer of same day funds as promptly as possible and in any event within 30 days upon demand by ListCo in the event that: (x) this Agreement is terminated by ListCo pursuant to Section 10.01(c) or Section 10.01(e), (y) this Agreement is terminated pursuant to Section 10.01(b) solely due to (A) rejection by China Cybersecurity Review Technology and Certificate Center of the Transactions under the New Measures for Cybersecurity Review issued by the Cyberspace Administration of China and certain other government departments on January 4, 2022, (B) if the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comment) released by China Securities Regulatory Commission ("CSRC") on December 24, 2021 has been formally enacted and become effective (such formally enacted and effective version, the "Final Administrative Measures"), the Final Administrate Measures is appliable to the Transactions, rejection by China Securities Regulatory Commission of the Transactions pursuant to the Final Administrative Measures, or (C) the written final and non-appealable rejection by the Nasdaq of the Initial Listing Application; it being understood that in no event shall the Company be required to pay the Company Termination Fee on more than one occasion or reimburse ListCo more than once in respect of the same Expenses.

(b) The ListCo shall pay to the Company an amount equal to RMB1,000,000 (the "ListCo Termination Fee") and reimburse the Company all Expenses actually incurred by the Company and its Subsidiaries in connection with the Transactions in an aggregate amount not exceeding Reimbursement Cap by wire transfer of same day funds as promptly as possible and in any event within 30 days upon demand by the Company in the event that this Agreement is terminated by the Company pursuant to (x) Section 10.01(d) due to a material breach of any covenants or other agreements contained in Sections 7.03, 7.04, or 8.05(b), (y) Section 10.01(f), or (z) Section 10.01(b) solely due to (A) ListCo's material violation of Federal Securities Laws or Nasdaq rules or (B) material penalties imposed by the Nasdaq on ListCo; it being understood that in no event shall ListCo be required to pay the ListCo Termination Fee on more than one occasion or reimburse ListCo more than once in respect of the same Expenses.

(c) The Company shall reimburse ListCo 50% of all Expenses actually incurred by ListCo and Merger Sub in connection with the Transactions in an aggregate amount not exceeding 50% of the Reimbursement Cap (i.e. US$500,000 (or equivalent in other currencies)), by wire transfer of same day funds as promptly as possible and in any event within 30 days upon demand by ListCo in the event that this Agreement is terminated for any reason other than (x) arising or resulting from a Force Majeure, or (y) pursuant to Section 10.03(a) or Section 10.03(b); it being understood that in no event shall the Company be required to reimburse ListCo more than once in respect of the same Expenses.

(d) Each Party acknowledges that (i) the agreements contained in this Section 10.03 are an integral part of the Transactions, (ii) the damages resulting from termination of this Agreement under circumstances where any amount is payable pursuant to this Section 10.03 are uncertain and incapable of accurate calculation and therefore, the amounts payable pursuant to this Section 10.03 are not a penalty but rather constitute amounts akin to liquidated damages in a reasonable amount that will compensate ListCo for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the Transactions, and (iii) without the agreements contained in this Section 10.03, the Parties would not have entered into this Agreement.

(e) Notwithstanding anything to the contrary in this Agreement, (i) in the event that Section 10.03(a) or Section 10.03(c) is applicable, ListCo's receipt of amounts pursuant to Section 10.03(a) or Section 10.03(c) shall, subject to Section 11.14, be the sole and exclusive remedy of ListCo, its Affiliates and its and their respective Representatives (collectively, the "ListCo Parties") against the Company, its Affiliates and its and their respective Representatives (collectively, the "Company Parties") for any loss suffered as a result of any breach of any representation and warranty, covenant or agreement or the failure of the Transactions to be consummated, and upon payment of such amounts, none of the Company Parties shall have any further liability or obligation relating to the Transaction Agreements or the transactions contemplated thereby and (ii) in the event that Section 10.03(b) is applicable, the Company's receipt of amounts pursuant to Section 10.03(b) shall, subject to Section 11.14, be the sole and exclusive remedy of the Company Parties against the ListCo Parties for any loss suffered as a result of any breach of any representation and warranty, covenant or agreement or the failure of the Transactions to be consummated, and upon payment of such amounts, none of the ListCo Parties shall have any further liability or obligation relating to or arising out of the Transaction Agreements or the transactions contemplated thereby.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Waiver. At any time and from time to time prior to the Effective Time, ListCo may, to the extent legally allowed and except as otherwise set forth herein, (a) extend the time for the performance of any of the obligations or other acts of the Company; (b) waive any inaccuracies in the representations and warranties of the Company contained herein or in any document delivered pursuant hereto; and (c) subject to the requirements of applicable Law, waive compliance by the Company with any of the agreements or conditions contained herein applicable to such Party. At any time and from time to time prior to the Effective Time, the Company may, to the extent legally allowed and except as otherwise set forth herein, (a) extend the time for the performance of any of the obligations or other acts of any Warrantor; (b) waive any inaccuracies in the representations and warranties of any Warrantor contained herein or in any document delivered pursuant hereto; and (c) subject to the requirements of applicable Law, waive compliance by any Warrantor with any of the agreements or conditions contained herein applicable to such Party. Any agreement on the part of a Party to any such extension or waiver will be valid only if set forth in an instrument in writing signed by such Party. Any delay in exercising any right pursuant to this Agreement will not constitute a waiver of such right.

Section 11.02 Notices. All notices and other communications among the Parties shall be in writing and shall be deemed to have been duly given (i) when delivered in person, (ii) when delivered after posting in the United States mail having been sent registered or certified mail return receipt requested, postage prepaid, (iii) when delivered by FedEx or other internationally recognized overnight delivery service or (iv) when e-mailed during normal business hours (and otherwise as of the immediately following Business Day), addressed as follows:

(a) If to ListCo and Merger Sub, to:

2255 Tongyin Street, Kuiwen District, Weifang, Shandong Province, the PRC中国山东省潍坊市奎文区桐荫街2255号
Attn: Lei Yan
E-mail: shanghaimc2020@163.com
Phone: +86 13122666789

(b) If to the Company, to:

2C, Block 2, Zhongguancun Software Park, Haidian District, Beijing, the PRC
Attn: Jiayue He
E-mail: hejiayue@baijiayun.com

with a copy (which shall not constitute notice) to:

Linklaters

11th floor Alexandra House, Chater Road, Hong Kong, China
Attn: Xiaoxi Lin
E-mail: xiaoxi.lin@linklaters.com

or to such other address or addresses as the Parties may from time to time designate in writing, provided however that any notices sent pursuant to (i) to (iii) shall be accompanied by an electronic mail notice. Without limiting the foregoing, any Party may give any notice, request, instruction, demand, document or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, ordinary mail or electronic mail), but no such notice, request, instruction, demand, document or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended.

Section 11.03 Assignment. No Party shall assign this Agreement or any part hereof without the prior written consent of the other Parties. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Any attempted assignment in violation of the terms of this Section 11.03 shall be null and void, *ab initio*.

Section 11.04 Rights of Third Parties. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties, any right or remedies under or by reason of this Agreement; provided that notwithstanding the foregoing, (a) in the event the Closing occurs, D&O Indemnified Parties are intended third-party beneficiaries of, and may enforce, Section 8.03, and (b) the Non-Recourse Parties are intended third-party beneficiaries of, and may enforce, Section 11.15 and Section 11.16.

Section 11.05 Expenses. Subject to Section 10.03, each Party hereto shall bear its own expenses incurred in connection with this Agreement and the other Transaction Agreements and the transactions herein and therein contemplated, including all fees of its legal counsel, financial advisers and accountants (such Party's "Expenses").

Section 11.06 Governing Law. This Agreement, and all Actions or causes of action based upon, arising out of, or related to this Agreement or the Transactions, shall be governed by, and construed in accordance with, the laws of the State of New York, except that the following matters arising out of or relating to this Agreement shall be interpreted, construed and governed by and in accordance with the Laws of the Cayman Islands in respect of which the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands: the Merger, the vesting of the undertaking, property and liabilities of Merger Sub in the Surviving Entity, the cancellation, conversion, issuance and allotment of the Company Shares and ListCo Shares, as the case may be, the rights provided for in the Cayman Companies Act, the fiduciary or other duties of the board of directors of the Company and the directors of Merger Sub and the internal corporate affairs of the Company and Merger Sub.

Section 11.07 Captions; Counterparts. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by email to counsel for the other Parties of a counterpart executed by a Party shall be deemed to meet the requirements of the previous sentence.

Section 11.08 Schedules and Exhibits. The Schedules and Exhibits referenced herein are a part of this Agreement as if fully set forth herein. All references herein to Schedules and Exhibits shall be deemed references to such parts of this Agreement, unless the context shall otherwise require. Any disclosure made by a Party in the Schedules with reference to any section or schedule of this Agreement shall be deemed to be a disclosure with respect to all other sections or schedules to which such disclosure may apply solely to the extent the relevance of such disclosure is reasonably apparent on the face of the disclosure in such Schedule. Certain information set forth in the Schedules is included solely for informational purposes. The disclosure of any information shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations and warranties made in this Agreement, nor shall such information be deemed to establish a standard of materiality.

Section 11.09 Entire Agreement. This Agreement (together with the Schedules and Exhibits to this Agreement) and the other Transaction Agreements, constitute the entire agreement among the Parties relating to the Transactions and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the Parties or any of their respective Subsidiaries relating to the Transactions.

Section 11.10 Amendments. This Agreement may not be amended except by an instrument in writing signed by each of the Parties.

Section 11.11 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by Law.

Section 11.12 Arbitration. Any dispute, controversy, difference, or claim arising out of or relating to this Agreement, including its existence, validity, interpretation, performance, breach, or termination, or any dispute regarding non-contractual obligations arising out of or relating to this Agreement, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("HKIAC") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The seat of arbitration shall be Hong Kong. There shall be three arbitrators. The arbitration proceedings shall be conducted in English. The law of this arbitration clause shall be Hong Kong law. For the avoidance of doubt, a request by a Party to a court of competent jurisdiction for interim measures necessary to preserve such Party's rights, including pre-arbitration attachments, injunctions, or other equitable relief, shall not be deemed incompatible with, or a waiver of, the agreement to arbitrate in this Section 11.12.

Section 11.13 Waiver of trial by jury. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION BASED UPON, ARISING OUT OF OR RELATED TO ANY TRANSACTION AGREEMENT OR THE TRANSACTIONS.

Section 11.14 Equitable Remedies. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the Parties do not perform their obligations under the provisions of this Agreement or any other Transaction Agreement in accordance with its specified terms or otherwise breach such provisions. The Parties acknowledge and agree that (i) the Parties shall be entitled to an injunction, specific performance, or other equitable relief, to prevent breaches of this Agreement or any other Transaction Agreement and to enforce specifically the terms and provisions hereof, without proof of damages, prior to the valid termination of this Agreement in accordance with Section 10.01, this being in addition to any other remedy to which they are entitled under this Agreement or any other Transaction Agreement, and (ii) the right of specific enforcement is an integral part of the Transactions and without that right, none of the Parties would have entered into this Agreement. Each Party agrees that it will not allege, and each Party hereby waives the defense, that the other Parties have an adequate remedy at Law or that an award of specific performance is not an appropriate remedy for any reason at Law or equity. The Parties acknowledge and agree that any Party seeking an injunction to prevent breaches of this and to enforce specifically the terms and provisions of this Agreement or any other Transaction Agreement in accordance with this Section 11.14 shall not be required to provide any bond or other security in connection with any such injunction.

Section 11.15 Non-Recourse. This Agreement may only be enforced against, and any claim or cause of action based upon, arising out of, or related to this Agreement or the Transactions may only be brought against, the entities that are expressly named as Parties and then only with respect to the obligations set forth herein with respect to such Party. Except to the extent a Party (and then only to the extent of the obligations undertaken by such Party in this Agreement), (a) no past, present or future director, officer, employee, sponsor, incorporator, member, partner, shareholder, Affiliate, agent, attorney, advisor or representative or Affiliate of any Party and (b) no past, present or future director, officer, employee, sponsor, incorporator, member, partner, shareholder, Affiliate, agent, attorney, advisor or representative or Affiliate of any of the foregoing shall have any liability (whether in contract, tort, equity or otherwise) for any one or more of the representations, warranties, covenants, agreements or other obligations or liabilities of any one or more of the Company, ListCo and Merger Sub under this Agreement of or for any claim based on, arising out of, or related to this Agreement or the Transactions (each of the Persons identified in clauses (a) or (b), a "Non-Recourse Party", and collectively, the "Non-Recourse Parties").

Section 11.16 Non-Survival. Notwithstanding anything herein but without prejudice to the terms otherwise agreed in writing by the applicable parties, (i) none of the representations, warranties, covenants, obligations or other agreements of a Party contained in this Agreement or in any certificate delivered by a Party pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants, obligations, agreements and other provisions, shall survive the Closing, (ii) from and after the Closing, no Action shall be brought and no recourse shall be had against or from any Party in respect of such non-surviving representations, warranties, covenants or agreements, other than in the case of fraud; and (iii) all such representations, warranties, covenants, obligations and other agreements shall terminate and expire upon the occurrence of the Effective Time (and there shall be no liability after the Closing in respect thereof). Notwithstanding the foregoing, those covenants and agreements of a Party contained herein that by their terms expressly in whole or in part require performance after the Closing shall survive the Effective Time but only with respect to that portion of such covenant or agreement that is expressly to be performed following the Closing.

Section 11.17 Acknowledgements. Without prejudice to the terms otherwise agreed in writing by the applicable parties, each of the Parties acknowledges and agrees (on its own behalf and on behalf of its respective Affiliates and its and their respective Representatives) that: (a) the representations and warranties in Article IV constitute the sole and exclusive representations and warranties in respect of the Company and its Subsidiaries; (b) the representations and warranties in Article V constitute the sole and exclusive representations and warranties in respect of ListCo and Merger Sub; (c) except for the representations and warranties referred to in the foregoing clauses (a) to (b), none of the Parties or any other Person (including any of the Non-Recourse Parties) makes, or has made, any other express or implied representation or warranty with respect to any Party (or any Party's Subsidiaries), including any implied warranty or representation as to condition, merchantability, suitability or fitness for a particular purpose or trade as to any of the assets of the such Party or its Subsidiaries or the Transactions and all other representations and warranties of any kind or nature expressed or implied (including (i) regarding the completeness or accuracy of, or any omission to state or to disclose, any information, including in the estimates, projections or forecasts or any other information, document or material provided to or made available to any Party or their respective Affiliates or Representatives in certain "data rooms," management presentations or in any other form in expectation of the Transactions, including meetings, calls or correspondence with management of any Party (or any Party's Subsidiaries), and (ii) relating to the future or historical business, condition (financial or otherwise), results of operations, prospects, assets or liabilities of any Party (or its Subsidiaries), or the quality, quantity or condition of any Party's or its Subsidiaries' assets) are specifically disclaimed by all Parties and their respective Subsidiaries and all other Persons (including the Representatives and Affiliates of any Party or its Subsidiaries); and (d) neither Party nor any of its Affiliates is relying on any representations and warranties in connection with the Transactions except the representations and warranties in Article IV by the Company and the representations and warranties in Article V by the Warrantors. The foregoing does not limit any rights of any Party (or any other Person party to any other Transaction Agreements) pursuant to any other Transaction Agreement against any other Party (or any other Person party to any other Transaction Agreements) pursuant to such Transaction Agreement to which it is a party or an express third party beneficiary thereof. Nothing in this Section 11.17 shall relieve any Party of liability in the case of fraud committed by such Party.

[*Signature pages follow.*]

IN WITNESS WHEREOF, the Parties have hereunto caused this Agreement and Plan of Merger to be duly executed as of the date hereof.

FUWEI FILMS (HOLDINGS) CO., LTD.

By: /s/ Lei Yan
Name: Lei Yan
Title: Chairman, Chief Executive Officer

IN WITNESS WHEREOF, the Parties have hereunto caused this Agreement and Plan of Merger to be duly executed as of the date hereof.

BAIJIAYUN LIMITED

By: /s/ Gangjiang Li
Name: Gangjiang Li
Title: Director

SCHEDULE 1.01(A)

1. Company Founder

2. Ma Yi

SCHEDULE 1.01(B)

1. Lei Yan (闫磊)

2. Zhimei Liu (刘志美)

EXHIBIT A
Form of Lock-Up Undertaking

EXHIBIT B
Form of Deed of Adherence

THIS DEED is made on [*date*] by and among [*name*], a company incorporated with limited liability under the Laws of [the Cayman Islands] (the "New Party"), Fuwei Films (Holdings) Co., Ltd., an exempted company incorporated with limited liability under the Laws of the Cayman Islands ("ListCo"), and Baijiayun Limited, an exempted company incorporated with limited liability under the Laws of the Cayman Islands (the "Company"), and is supplemental to an agreement and plan of merger dated [•] 2022 entered into by and among ListCo and the Company, as from time to time amended, varied, novated, supplemented or adhered to (the "Principal Agreement") and in favour of ListCo, the Company and any other person or persons who after the date of the Principal Agreement adheres to the Principal Agreement from time to time (collectively, the "Continuing Parties").

IT IS AGREED as follows:

1 Unless the context requires otherwise, words and expressions defined in the Principal Agreement shall have the same meanings when used in this Deed.

2 The New Party by this Deed undertakes to the Continuing Parties to be bound by the Principal Agreement as "Merger Sub", to comply with, and to assume, observe and perform all of the obligations that are expressed to be those of a Party or of Merger Sub in, the Principal Agreement and the New Party shall become a Party to the Principal Agreement as if it had been an original Party.

3 This Deed is made for the benefit of the Continuing Parties. Each Continuing Party shall be entitled to enforce the Principal Agreement against the New Party as if the New Party had been an original Party.

4 It is agreed that, save as provided in this Deed, all of the provisions of the Principal Agreement shall remain in full force and effect.

5 The New Party warrants to each of the Continuing Parties that it has full power and authority and has obtained all necessary consents to enter into and perform the obligations expressed to be assumed by the New Party under the Principal Agreement and this Deed, that the obligations expressed to be assumed by the New Party under the Principal Agreement and this Deed are legal, valid and binding and enforceable against the New Party in accordance with their terms and that the execution, delivery and performance by the New Party of this Deed will not (i) result in a breach of, or constitute a default under, any agreement or arrangement to which the New Party is a party or by which the New Party is bound or under the New Party's constitutive documents; or (ii) result in a breach of any law or order, judgment or decree of any court, governmental agency or regulatory body to which the New Party is a party or by which the New Party is bound.

6 This Deed, and all Actions or causes of action based upon, arising out of, or related to this Deed, shall be governed by, and construed in accordance with, the laws of the State of New York, except that the following matters arising out of or relating to this Deed shall be interpreted, construed and governed by and in accordance with the Laws of the Cayman Islands in respect of which the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands: the Merger, the vesting of the undertaking, property and liabilities of the New Party in the Surviving Entity, the cancellation, conversion, issuance and allotment of the Company Shares and ListCo Shares, as the case may be, the rights provided for in the Cayman Companies Act, the fiduciary or other duties of the board of directors of the Company and the directors of the New Party and the internal corporate affairs of the Company and the New Party.

7 Sections 11.12 to 11.13 of the Principal Agreement shall apply *mutatis mutandis* to this Deed.

THIS DEED has been duly executed and delivered as a deed on the date first stated above.

EXECUTED and **DELIVERED** as a **DEED**)
by [***Name of Merger Sub***] acting by:)

_____

in the presence of:

Witness _____
Signature: _____
Name: _____

EXECUTED and **DELIVERED** as a **DEED**)
by **FUWEI FILMS (HOLDINGS) CO., LTD.**)
acting by:)

_____

in the presence of:

Witness _____
Signature: _____
Name: _____

EXECUTED and **DELIVERED** as a **DEED**)
by **BAIJIAYUN LIMITED** acting by:)

_____

in the presence of:

Witness _____
Signature: _____
Name: _____

Exhibit 4.2

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is made and entered on June 26, 2021 ("Effective Date") by and among:

1. Baijiayun Limited, a company incorporated under the Laws (as defined below) of Cayman Islands (the "Company");

2. Baijia Cloud Limited, a company incorporated under the Laws of Hong Kong (as defined below) and wholly owned by the Company (the "HK Company");

3. Beijing Baijiashilian Technology Co., Ltd. (北京百家视联科技有限公司), a limited liability company incorporated under the Laws of the PRC (the "Baijiashilian");

4. Gangjiang Li (李钢江), a citizen of the PRC with the ID number 430124197506130012(the "Founder");

5. Jia Jia Ltd., a company incorporated under the laws of the British Virgin Islands and wholly owned by Gangjiang Li (李钢江) (the "Founder Holding Company");

6. Duo Duo International Limited, a company incorporated under the laws of the British Virgin Islands;

7. Nuan Nuan Ltd. a company incorporated under the laws of the British Virgin Islands (together with "Duo Duo International Limited", collectively the "Senior Management Holding Companies");

8. New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang) Partnership (L.P.) (新东方行知教育文化产业基金（张家港）合伙企业（有限合伙）), a limited partnership incorporated under the laws of the PRC (the "New Oriental" or the "Series C Investor").

Each of the parties listed above is referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. As at the date hereof, the Company shall have an authorized capital of US$50,000 divided into 500,000,000 Shares of par value of US$0.0001 each. The Company holds 100% of the issued and outstanding shares in the HK Company, and the HK Company will establish a wholly owned subsidiary under the Laws of the PRC (the "WFOE"), which in turn will Control the Baijiashilian through Control Documents. The capitalization of the Company as of the date hereof is set out in Schedule I hereto.

B. Pursuant to a bridge loan agreement entered into by New Oriental, the Company and certain other parties on June 26, 2021 (the "**Loan Agreement**"), New Oriental intends to provide certain bridge loan in the aggregate principal amount of RMB75,000,000 to Baijiashilian (the "**Loan**") at the Closing, and subject to the Loan Agreement, the Loan shall be converted into certain number of Series C Preferred Shares.

C. The Parties desire to enter into this Agreement and make their respective

representations, warranties, covenants and agreements set forth herein on the terms and conditions set forth herein.

WITNESSETH

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties intending to be legally bound hereto hereby agree as follows:

1. Definitions.

1.1 The following terms shall have the meanings ascribed to them below:

"Accounting Standards" means, with respect to the Company and the HK Company, the International Financial Reporting Standards, and with respect to the WFOE and the Domestic Companies, the PRC GAAP, applied on a consistent basis.

"Action" means any notice, charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any applicable Law, and whether before any mediator, arbitrator or Governmental Authority or not.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In the case of the Investor, the term "Affiliate" also includes (v) any shareholder of the Investor, (w) any of such shareholder's or Investor's general partners or limited partners, (x) the fund manager managing or advising such shareholder or Investor (and general partners, limited partners and officers thereof) and other funds managed or advised by such fund manager, (y) trusts Controlled by or for the benefit of any such Person referred to in (v), (w) or (x), and (z) any fund or holding company formed for investment purposes that is promoted, sponsored, managed, advised or serviced by the Investor. For the avoidance of doubt, the Investor shall not be deemed to be an Affiliate of any Warrantor. In the case of a natural Person, the term "Affiliate" also includes, without limitation, such Person's spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law.

"Agreement" has the meaning ascribed to it in the preamble.

"Arbitration Notice" has the meaning ascribed to it in Section 10.6(i).

"Associate" means, as to any body corporate, any other body corporate, unincorporated entity or person directly or indirectly Controlling, directly or indirectly Controlled by or under direct or indirect common Control with, such body corporate or, as to an individual, his spouse, parents, siblings and issues, and the spouses of such siblings and issues (collectively his "Relatives") and any company or trust which may be, directly or indirectly, Controlled by such individual (including any company or trust Controlled by any of his Relatives).

"Baijiashilian" has the meaning ascribed to it in the preamble.

"Balance Sheet" has the meaning ascribed to it in Section 3.9.

"Board" or "Board of Directors" means the board of directors of the Company.

"Business" means the businesses of video SaaS/PaaS, video cloud and software, video AI and system solution conducted by the Group Companies.

"Business Day" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in (i) the Cayman Islands, with respect to any action to be undertaken or notice to be given in the Cayman Islands, (ii) the British Virgin Islands, with respect to any action to be undertaken or notice to be given in the British Virgin Islands or (iii) the United States, the PRC or Hong Kong, with respect to any action to be undertaken or notice to be given in such jurisdiction.

"Control Documents" means collectively, exclusive call option agreement(s), proxy agreement(s), equity pledge agreement(s), an exclusive technical service agreement and any other documents (as applicable) entered into by the relevant Group Companies and the shareholders of Baijiashilian;

"Closing" has the meaning ascribed to it in Section 2.4 (i).

"Closing Longstop Date" means earlier of the date which is the 180th day after the Closing of this Agreement or the closing date of a SPAC Transaction.

"Charter Documents" means, with respect to a particular legal entity, the articles of incorporation, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, certificate of formation, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

"Company" has the meaning ascribed to it in the preamble.

"Company IP" has the meaning ascribed to it in Section 3.17.

"Compliance Laws" has the meaning ascribed to it in Section 3.14.

"Confidential Information" has the meaning ascribed to it in Section 7.1.

"Consent" means any consent, approval, authorization, release, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any Person, including any Governmental Authority.

"Contract" means, a contract, agreement, understanding, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, purchasing arrangement and other legally binding arrangement, whether written or oral.

"Control" of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or

indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms "Controlled" and "Controlling" have meanings correlative to the foregoing.

"Disclosing Party" has the meaning ascribed to it in Section 7.3.

"Dispute" has the meaning ascribed to it in Section 10.6 (i).

"Domestic Company" means each of enterprises established under the Laws of the PRC and engaged in the Business, including Baijiashilian and its Subsidiaries, and collectively as "Domestic Companies".

"Effective Date" has the meaning ascribed to it in the preamble.

"ESOP" means any stock option plan or equity incentive plan adopted by any Group Company from time to time in relation to the grant or issue of shares, stock options or any other securities to its employees, officers, directors, consultants and/or other eligible Persons. The Company shall reserve additional 9,486,042 Ordinary Shares for the ESOP immediately prior to the Closing, which represents 10% of the outstanding shares of the Company on a fully diluted and as converted basis, assuming full conversion of the Preference Shares and full exercise of all outstanding options and other outstanding convertible and exercisable Securities (including without limitation the Warrants), immediately after Closing. The grant of options or any other Equity Securities under the ESOP, the grant conditions and exercise price shall be approved by the Board of Directors.

"Equity Securities" means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any Contract providing for the acquisition of any of the foregoing.

"Financial Statements" has the meaning ascribed to it in Section 3.9.

"Founder" has the meaning ascribed to it in the preamble.

"Founder Holding Company" has the meaning ascribed to it in the preamble.

"Governmental Authority" means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

"Governmental Order" means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

"Group Company" means each of the Company, its Subsidiaries (including without limitation, the HK Company, the Domestic Companies and the WFOE), and "Group" or "Group Companies" refers to all of Group Companies collectively.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"HK Company" has the meaning ascribed to it in the preamble.

"HKIAC" has the meaning ascribed to it in Section 10.6 (ii).

"HKIAC Rules" has the meaning ascribed to it in Section 10.6 (ii).

"Indemnifiable Loss" means, with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature imposed on or otherwise incurred or suffered by such Person, including without limitation, legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification.

"Intellectual Property" means any and all (i) patents, patent rights and applications therefore and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefore, author's rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefore, and (vii) the goodwill symbolized or represented by the foregoing.

"Indemnitee(s)" means each of the Series C Investor and its Affiliates, officers, directors, employees, agents, successors and assigns.

"Indemnifiable Loss" means with respect to any Person, any action, claim, cost, damage, deficiency, diminution in value, disbursement, expense, liability, loss, obligation, penalty or settlement of any kind or nature imposed on or otherwise incurred or suffered by such Person, including without limitation, reasonable legal, accounting and other professional fees and expenses incurred in the investigation, collection, prosecution and defense of claims and amounts paid in settlement and Taxes payable by such Person by reason of the indemnification.

"Knowledge" means, with respect to the Warrantors, the actual knowledge of any of the Warrantors, and that knowledge which should have been acquired by each Warrantor after making such due inquiry and exercising such due diligence as a prudent business person would have made or exercised in the management of his business affairs, including but not limited to due inquiry of all officers, directors, employees, consultants and professional advisers (including attorneys, accountants and auditors) of the Group and of its Affiliates who could reasonably be expected to have knowledge of the matters in question.

"Law" or "Laws" means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

"Liabilities" means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Lien" means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, transfer, disposition or otherwise), whether imposed by Contract, understanding, law, equity or otherwise.

"Leases" has the meaning ascribed to it in Section 3.15.

"Leased Properties" has the meaning ascribed to it in Section 3.15.

"Loan" has the meaning ascribed to it in the Recitals.

"Loan Agreement" has the meaning ascribed to it in the Recitals.

"Material Contracts" has the meaning ascribed to it in Section 3.13.

"Material Adverse Effect" means any change, event or effect that (i) is or would be materially adverse to the business, operations, assets, liabilities, condition (financial or otherwise) or results of operations of the Group Companies, taken as a whole; or (ii) is or would materially impair the validity or enforceability of this Agreement against any Warrantor; or (iii) is or would materially and adversely affect any Warrantor's ability to perform its obligations under this Agreement, any other Transaction Documents or in connection with the transactions contemplated hereunder or thereunder.

"Memorandum and Articles" means the Second Amended and Restated Memorandum of Association of the Company and the Second Amended and Restated Articles of Association of the Company, to be adopted in accordance with applicable Law prior to the Closing, which shall be in the form satisfactory to the Series C Investor and attached hereto as Exhibit A.

"ODI Approvals" means all of the consents, approvals, authorizations or registrations, qualifications, or filings with any governmental authority in the PRC required in connection with the investment of the Series C Investor into the Company, including without limitation the approvals from, and filings and registrations with competent branches of the national development and reform commission, the ministry of commerce, the state administration of foreign exchange, as well as other competent PRC governmental authorities with jurisdiction of the outbound direct investment by PRC entities.

"Ordinary Shares" means the Company's ordinary shares, par value US$0.0001 per share.

"Party/Parties" has the meaning ascribed to it in the preamble.

"Person" means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

"PRC" means the People's Republic of China, but solely for the purposes of this Agreement and the other Transaction Documents, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

"PRC GAAP" means generally accepted accounting principles in PRC, as in effect from time to time.

"Preferred Shares" means the Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement, including the Series A Preferred Shares, the Series A+ Preferred Shares, the Series B Preferred Shares, the Series B+ Preferred Shares, the Series C Preferred Shares and the Warrant Shares.

"Prior Shareholders Agreements" means the agreements entered into or other covenants agreed by and among the shareholders of Baijiashilian prior to the Closing Date in connection with the subjects as set forth hereunder, including without limitation the Series B+ Shareholders Agreement of Baijiashilian (有关北京百家视联科技有限公司之B+轮股东协议) entered by and among Baijiashilian and certain other parties thereto in September 2020.

"Purchased Shares" has the meaning ascribed to it in Section 2.2.

"Qualified IPO" means an underwritten public offering pursuant to a prospectus issued in connection with the initial public offering of the Shares and the listing of the Shares or backdoor listing (including through a SPAC Transaction) on The Stock Exchange of Hong Kong Limited, The New York Stock Exchange, NASDAQ or any other internationally recognised stock exchange, by which all the Shares held by the Series C Investor or the equity securities that all such Shares held by the Series C Investor shall be exchanged into on a pro rata basis in the SPAC Transaction shall be listed upon the closing of the Qualified IPO.

"Related Party" means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any

Affiliate or Associate of any of the foregoing.

"Representatives" has the meaning ascribed to it in Section 3.14.

"Required Consents" has the meaning ascribed to it in Section 3.7.

"RMB" means Renminbi, the lawful currency of the PRC;

"Statement Date" has the meaning ascribed to it in Section 3.9.

"Suppliers" has the meaning ascribed to it in Section 3.19.

"SAFE" shall mean PRC State Administration of Foreign Exchange.

"SAFE Circulars" shall mean the SAFE Circular on Issues Relating to the Administration of Foreign Exchange of Domestic Resident's Offshore Investing and Financing and Round-Tripping Investment through Special Purpose Vehicles (《国家 外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有 关问题的通知》[汇发(2014)37号]) issued by SAFE with effect from July 4, 2014 and any applicable Laws of the PRC in force from time to time which operate to restate, amend or repeal the aforesaid SAFE Circulars or any part thereof.

"Senior Management Holding Companies" has the meaning ascribed to it in the preamble.

"Series A Preferred Shares" means the series A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement.

"Series A+ Preferred Shares" means the series A+ Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement.

"Series B Preferred Shares" means the series B Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement.

"Series B+ Preferred Shares" means the series B+ Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement.

"Series C Preferred Shares" means the series C Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Memorandum and Articles and Shareholders Agreement.

"Series C Warrant" means the warrant agreement entered into by and between the Company and the Series C Investor on or prior to the Closing, which shall be in the form attached hereto as Exhibit D, under which the Series C Investor is entitled to purchase the Purchased Shares from the Company. For the avoidance of doubt, the Series C Investor shall be entitled to exercise the Series C Warrant only after it has obtained the ODI Approvals if the ODI Approvals are necessary for the Series C Investor to hold the Series C Shares pursuant to the applicable Laws.

"Shareholders Agreement" means the Shareholders Agreement to be entered by and among the parties named therein on or prior to the Closing, which shall be in the form satisfactory to the Series C Investor and attached hereto as Exhibit B.

"SPAC Transaction" means a transaction or series of transactions which the Board designates as a SPAC Transaction, being a transaction or series of transactions which constitute the acquisition of the Company by, or merger of the Company with, a special purpose acquisition company or a new holding company that will be combining with the Company and a special purpose acquisition company and which results in the Company, or the Company which acquires or merges with the Company, being listed on an internationally recognized stock exchange or such other transaction as approved by the Board to be of similar effect.

"Subsidiary" means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person. For avoidance of doubt, a branch of any Group Company shall be deemed a Subsidiary of such Group Company.

"Subscription Price" means RMB75,000,000 or its US$ equivalent for a total of 2,419,909 Series C Preferred Shares or RMB30.99 or its US$ equivalent for each Series C Preferred Share.

"Tax" means (i) all national, provincial, municipal, local or foreign taxes, charges, fees, imposts, levies, or other assessments, including, without limitation, all net income, gross receipts, value added, consumption, customs duties, import value added, land value added, deed, real estate, surtaxes, ad valorem, capital, sales, use, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social insurance (including pension, medical, unemployment, and housing), excise, severance, stamp, occupation, property, and estimated taxes, fees, assessments and charges of any kind whatsoever, (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing authority in connection with any item described in clause (i) and (iii) any transferee liability in respect of any items described in clauses (i) and/or (ii).

"Tax Return" means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

"Transaction Documents" means this Agreement, Shareholders Agreement, the Memorandum and Articles, Loan Agreement, Series C Warrant and each of the other agreements and documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing.

"Transaction Expenses" has the meaning ascribed to it in Section 10.9. "VIE" means variable interest entity;

"Warrant(s)" means the warrant agreements respectively entered into by and between the Company and relevant parties on [*] 2021, under which the relevant parties

are entitled to purchase certain Preferred Shares (as adjusted to share dividend, split, combination, recapitalization and other similar transactions) from the Company.

"Warrantor" means each of the Group Companies and the Founder, and the Founder Holding Company, and the Senior Management Holding Companies, collectively, the "Warrantors".

"Warrant Shares" means the Preferred Shares that each holder of the Warrants shall be entitled to purchase thereunder.

"WFOE" has the meaning ascribed to it in the recitals.

"Zhiyun Lingfei Team" means Pengfei Zhang (张鹏飞) (ID number: 142222198708021818), Wenbo Liu (刘文波) (ID number: 610403198405200512) and Yongkang Zhao (赵永康) (ID number: 2224031199210035637).

"Zhiyun Lingfei Acquisition Agreement" means the Share Transfer and Investment Cooperation Agreement (股权转让暨投资合作协议) entered into by and among Zhiyun Lingfeng Team, Baijiashilian and Zhiyun Lingfei (Beijing) Technology Co., Ltd. on June 1, 2018.

1.2 The recitals, the Schedules and the Exhibits form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include the Recitals, the Schedules and the Exhibits.

2. Transactions.

2.1 Authorization.

As of the Closing (as defined below), (i) the Company shall adopt and cause to be effective the Memorandum and Articles as its memorandum of association and articles of association, and (ii) the Company shall have authorized the issuance, pursuant to the terms and conditions of this Agreement, of the Series C Warrant to the Series C Investor, having the rights, preferences, privileges and restrictions as set forth in the Memorandum and Articles and other relevant Transaction Documents of the Company and free and clear of all Liens.

2.2 Agreement to Purchase and Sell.

Upon the exercise of the Series C Warrant, the Company shall issue and sell to the Series C Investor, and the Series C Investor shall purchase and pay for certain number of Series C Preferred Shares of the Company (the "Purchased Shares") as set forth opposite the Series C Investor's name in Schedule III in accordance with this Agreement.

2.3 Certain Transactions

On the terms and subject to the conditions set forth in this Agreement and the Transaction Documents, as applicable, upon exercise of the Series C Warrant:

(i) the Company shall allot and sell to the Series C Investor, and the Series C Investor shall purchase from the Company, the Purchased Shares as set forth opposite the Series C Investor's name in Schedule III free and clear of all encumbrances and having the rights,

privileges and restrictions set forth in the Shareholders Agreement and the Memorandum and Articles;

(ii) the Series C Investor shall pay the consideration as set out against its name in Schedule III for the Purchased Shares (the "Subscription Price") to the Company by wire transfer of immediately available fund within ten (10) Business Days following the receipt of the Loan repaid by Baijaishilian to the account designated by the Company in writing at least three (3) Business Days prior to the exercise.

2.4 Closing.

(i) **Closing.** The consummation of the sale and purchase of the Series C Warrant (the "Closing") shall take place remotely via the exchange of documents and signatures as soon as practicable, but in no event later than ten (10) Business Days after all closing conditions specified in Section 5 and Section 6 hereof have been waived by the Series C Investor or satisfied (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing), or at such other time and place as the Company and the Series C Investor shall mutually agree in writing.

(ii) **Deliveries by the Warrantors at the Closing**. At the Closing, the Company shall, and the other Warrantors shall cause the Company to, deliver to the Series C Investor each Transaction Document to which it is a named party; and any other items, the delivery of which by the Warrantors is made an express condition to the Series C Investor' obligations at the Closing pursuant to Section 5 and other Transaction Documents.

(iii) **Deliveries by the Warrantors upon exercise of the Series C Warrants**. Upon exercise of the Series C Warrant, the Company shall, and the other Warrantors shall cause the Company to, deliver to the Series C Investor (a) the updated register of members of the Company, certified as true and accurate by the registered agent of the Company, reflecting the sale and purchase of the Purchased Shares of the Series C Investor, and (b) a duly executed share certificate issued by the Company representing the Purchased Shares being issued to the Series C Investor.

2.5 Capitalization Table Immediately After Closing. Schedule II hereof sets forth a complete list of all outstanding shareholders of the Company immediately after the Closing, indicating the type and number of shares held by each such shareholder (assuming the exercise of the Warrants and on a fully-diluted basis).

3. Representations and Warranties of the Warrantors.

Each of the Warrantors jointly and severally represents and warrants to the Series C Investor that the statements as set forth in this Section 3 are all true, accurate, complete and not misleading as of the date of this Agreement and the Closing.

3.1 Organization, Good Standing and Qualification.

Each Group Company is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations under the Transaction Documents to which it is a party. Each

Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction. Each Group Company that is a PRC entity has a valid business license issued by the State Administration of Market and Regulation("SAMR") or its local branch or other relevant Governmental Authorities, and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license.

3.2 Capitalization. The Capitalization Table of the Company attached hereto as Schedule I is true, correct and complete. Except for the conversion privileges of the Preferred Shares, the Warrant Shares and the ESOP as provided in this Agreement and the Transaction Documents, there are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase or be issued or allotted with any of the shares of the Company or any other Group Company. The registered capital of the Domestic Companies has been validly issued, subscribed, transferred and registered in accordance with the applicable PRC Laws and its Charter Documents, and any fees and taxes in relation to such capital increase and/or share transfer have been duly paid. There is no dispute, controversy or claim between the transferor and the transferee in connection with any share transfer of the Group Companies.

Except the rights provided in the Shareholders Agreement and the Memorandum and Articles, no Equity Securities (including the Purchased Shares) of the Company's outstanding share capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or other rights to purchase such shares (whether in favor of the Company or any other person).

3.3 Corporate Structure; Subsidiaries.

(i) Except in respect of any interest held in any Group Company, none of the Company and other Group Companies has any Subsidiaries or owns or controls, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity.

(ii) The Company is a holding company and up until the date of the Closing has had no business activities or assets (including Intellectual Property) other than the ownership of one hundred percent (100%) of the equity interests in the HK Company. The HK Company is a holding company and up until the date of the Closing has had no business activities or assets (including Intellectual Property). Other than the HK Company, and the Domestic Companies, the Company does not, directly or indirectly, own any shares or equity interests in any other Person as of the Closing. On the date hereof and as of the date of the Closing, the Company has no liabilities or obligations, has no employees and is not a party to any agreement, contract or commitment, other than those relating solely to the transactions contemplated by the Transaction Documents.

3.4 Authorization. Each party to a Transaction Document (other than the Series C Investor) has all requisite power and authority to execute and deliver such Transaction Document and to carry out and perform its obligations thereunder. All action on the part of such party (and, as applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of such Transaction Document and the performance of all obligations of such party thereunder has been taken. This Agreement has been duly executed and delivered by each party thereto (other than the Series C Investor) and constitutes, and each Transaction Document when executed and delivered by each party thereto (other than the Series C Investor) will constitute, valid and legally binding obligations of such party,

enforceable against such party in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (ii) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.5 Valid Issuance of the Purchased Shares. The Purchased Shares, when issued, sold and delivered in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and non-assessable. The Conversion Shares have been reserved for issuance and, upon issuance in accordance with the terms of the Memorandum and Articles, will be duly and validly issued, fully paid and non-assessable, free from any Liens. The issuance of the Purchased Shares and the Conversion Shares is not subject to any preemptive rights, rights of first refusal or similar rights. All outstanding share capital of the Company has been duly and validly issued, fully paid and non-assessable, and all outstanding shares, options and other Equity Securities of the Company will have been issued in full compliance with the requirements of all applicable securities laws and regulations.

3.6 Consents; No Conflicts. The execution, delivery and performance of each Transaction Document by each party thereto (other than the Series C Investor) do not, and the consummation by such party of the transactions contemplated thereby will not,(a) result in a violation of the Charter Documents of any applicable Warrantor, (b) conflict with or result in a breach or violation in any Law applicable to any Warrantor, or (c) conflict with or result in a breach or violation in, or constitute a default under, any Contract to which any Warrantor is a party or by which any Warrantor is bound. No Warrantor, if applicable, is in violation or breach of any of its Charter Documents. Each Person (including without limitation the Founder) who is required to comply with the SAFE Circulars has obtained registration with respect to his/her direct and indirect holding of equity interest in the Company, the Company and the HK Company with SAFE in accordance with the SAFE Circulars and other applicable Laws of the PRC.

3.7 Compliance with Laws; Consents. Each of the Group Companies is, and has been, in compliance with all applicable Laws in all material respects. All Consents from the relevant Governmental Authority or other Person required in respect of the due and proper establishment and operations of each of the Group Companies as now conducted (collectively, the "Required Consents"), have been duly obtained or completed in accordance with all applicable Laws, except for those the lack of which would not constitute an obstacle or hinderance to the Qualified IPO of the Company. No Required Consent contains any materially burdensome restrictions or conditions, and each Required Consent is in full force and effect and will remain in full force and effect upon the consummation of the transactions contemplated hereby. None of the Group Companies is in default in any material aspect under any Required Consent. No Group Company has received any letter or other communication from any Governmental Authority threatening or providing notice of revocation of any Required Consent issued to any Group Company or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by any Group Company. To the Knowledge of the Warrantors, no Group Company is under investigation with respect to a violation of any Law.

3.8 Tax Matters.

(i) Each Group Company has timely filed (or caused to be filed) all tax returns ("Tax Returns") in accordance with laws required to filed by it. All taxes required to be paid (whether or not shown on any Tax Returns) in respect of the periods covered by such Tax

Returns have been paid. It has not requested on been granted any extension of time to file any Tax Return.

(ii) No Group Company has been the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes that has not been resolved or is currently the subject of any examination or investigation by any Tax authority relating to the conduct of its business or the payment or withholding of Taxes. There is no pending dispute with any Tax authority relating to any of the Tax Returns filed by any Group Company.

(iii) No deficiencies or adjustments for any of such Group Company's tax has been claimed, proposed or assessed or threatened in writing and not paid. There is currently no claim outstanding by an authority in a jurisdiction where it does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. It is not subject to any pending or threatened tax audit or examination. It has not entered into any agreements, waivers or other arrangements in respect of the statute of limitations in respect of its taxes or Tax Returns.

3.9 Financial Statements. Prior to the Closing, the Group Companies have delivered to the Series C Investor the unaudited balance sheet (the "Balance Sheet") and the statements of operations and cash flows for the Domestic Companies as of and for the one-month period ending January 31, 2021 (the "Statement Date") (collectively, the financial statements referred to above, the "Financial Statements"). The Financial Statements (a) have been prepared in accordance with the books and records of the Domestic Companies, (b) fairly present in all material respects the financial condition and position of the Domestic Companies as of the dates indicated therein and the results of operations and cash flows of the Domestic Companies for the periods indicated therein, except in the case of unaudited Financial Statements for the omission of notes thereto and normal year-end audit adjustments that are not expected to be material. All of the accounts receivables owing to any of the Group Companies as of the date of the Closing, including without limitation all accounts receivable set forth on the Financial Statements constitute valid and enforceable claims and are current and collectible in the ordinary course of business, net of any reserves shown on the Financial Statements (which reserves are adequate and were calculated on a basis consistent with the Accounting Standards), and no further goods or services are required to be provided in order to complete the sales and to entitle such Group Company to collect in full in respect of any such receivables.

3.10 Liabilities. No Group Company has any liabilities except for (i) liabilities set forth in the Financial Statements that have not been satisfied since the Statement Date, and (ii) current Liabilities incurred since the Statement Date in the ordinary course of the Group's business consistent with its past practices. None of the Group Companies has any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which the Group Company has otherwise become directly or indirectly liable. None of the Group Companies is a guarantor or indemnitor of any Liabilities of any other Person.

3.11 Changes. Since the Statement Date, to the Knowledge of the Warrantors, each Group Company (i) has operated its business in the ordinary course consistent with its past practice, (ii) used its reasonable efforts to preserve its business, (iii) collected receivables and paid payables and similar obligations in the ordinary course of business consistent with past practice, and (iv) has not engaged in any new line of business, or entered into any agreement, transaction or activity or made any commitment except those in the ordinary course of business

consistent with past practice. Since the Statement Date, there has not been any Material Adverse Effect or any material change in the way each Group Company conducts its business, and there has not been by or with respect to any Group Company:

(i) any purchase, acquisition, sale, lease, disposal of or other transfer of any assets that are individually or in the aggregate material to its business, whether tangible or intangible, other than the purchase or sale of inventory in the ordinary course of business consistent with its past practice;

(ii) any acquisition (by merger, consolidation or other combination, or acquisition of stock or assets, or otherwise) of any business or other Person or division thereof, or any sale or disposition of any business or division thereof;

(iii) any waiver, termination, cancellation, settlement or compromise of a valuable right, debt or claim;

(iv) any incurrence, creation, assumption, repayment, satisfaction, or discharge of (1) any material Lien or (2) any Indebtedness or guarantee, or the making of any loan or advance (other than reasonable and normal advances to employees for bona fide expenses that are incurred in the ordinary course of business consistent with its past practice), or the making of any investment or capital contribution;

(v) any amendment to or termination of any Material Contract, or any amendment to any Charter Document;

(vi) any declaration, setting aside or payment or other distribution in respect of any Equity Securities of any Group Company, or any issuance, transfer, redemption, purchase or acquisition of any Equity Securities by any Group Company;

(vii) any damage, destruction or loss, whether or not covered by insurance, materially adversely affecting the assets, properties, financial condition, operation or business of any Group Company;

(viii) any material change in accounting methods or practices or any revaluation of any of its assets;

(ix) except in the ordinary course of business consistent with its past practice, entry into any closing agreement in respect of Taxes, settlement of any claim or assessment in respect of any Taxes, or Consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of any Taxes, entry or change of any material Tax election, change of any method of accounting resulting in an amount of additional Tax or filing of any amended Tax Return;

(x) any commencement or settlement of any Action;

(xi) any authorization, sale, issuance, transfer, pledge or other disposition of any Equity Securities of any Group Company;

(xii) any resignation or termination of any key employee of any Group Company or any material group of employees of any Group Company;

(xiii) any transaction with any Related Party; or

(xiv) any agreement or commitment to do any of the things described in this Section 3.11.

3.12 Actions. There is no Action pending or, to the Knowledge of the Warrantors, threatened against or affecting any of the Group Companies or any of its officers, directors or employees with respect to its businesses or proposed business activities, or, to the best Knowledge of the Warrantors, any key employee or director of any Group Company in connection with such Person's respective relationship with such Group Company which would have a Material Adverse Effect. There is no judgment or award unsatisfied against any Group Company, nor is there any Governmental Order in effect and binding on any of the Group Companies or their respective assets or properties. There is no Action pending by any Group Company against any third party nor does any Group Company intend to commence any such Action.

3.13 Material Contracts. All agreements, contracts, leases, licenses, instruments, commitments (oral or written), indebtedness, liabilities and other obligations to which any Group Company is a party or by which it is bound that are (i) material and related to the conduct and operations of its Business and properties; (ii) material and involve any of the officers, consultants, directors, employees or shareholders of any Group Company; or (iii) obligate any Group Company to share, license or develop any product or technology; or (iv) involving the establishment, contribution to, or operation of a partnership, joint venture or involving a sharing of profits or losses, or any investment in, loan to or acquisition or sale of the securities, equity interests or assets of any Person (the "Material Contracts") have been made available for inspection by the Series C Investor and their counsels. For purposes of this Clause 3.13, "Material" shall mean any agreement, contract, indebtedness, liability, arrangement or other obligation either: (i) having an aggregate value, cost or amount in excess of RMB1,000,000 within a 12-month period or (ii) not terminable upon ninety (90) days' notice without incurring any penalty or obligation.

Each Material Contract is a valid and binding agreement of the Group Company that is a party thereto, the performance of which does not and will not violate any applicable Law or Governmental Order, and is in full force and effect and enforceable against the parties thereto, except (a) as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, and (b) as may be limited by laws relating to the availability of specific performance, injunctive relief or other remedies in the nature of equitable remedies. Each Group Company has duly performed all of its obligations under each Material Contract to the extent that such obligations to perform have accrued, and no breach or default, alleged breach or alleged default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder by such Group Company or, to the Knowledge of the Warrantors, any other party or obligor with respect thereto, has occurred, or as a result of the execution, delivery, and performance of the Transaction Documents will occur. No Group Company has given notice (whether or not written) that it intends to terminate a Material Contract or that any other party thereto has breached, violated or defaulted under any Material Contract. No Group Company has received any notice (whether written or not) that it has breached, violated or defaulted under any Material Contract or that any other party thereto intends to terminate such Material Contract.

3.14 Ethical Business Practices. To the knowledge of the Warrantors, Each of the Group Companies and its respective directors, officers, managers, employees, independent contractors, agents and other persons acting on its behalf (collectively, "Representatives") are and have been in compliance with all applicable Laws relating to anti-bribery, anti-corruption, anti-money laundering, record keeping and internal control laws (collectively, the "Compliance Laws").

3.15 Assets and Properties. The assets included in the Financial Statements or acquired by the relevant Group Company since the Statement Date and all other assets used or employed by the relevant Group Company are the absolute property of the relevant Group Company free from any Lien, and all such assets are in the possession or under the control of the relevant Group Company. All machinery, vehicles, equipment and other tangible personal property owned or leased by a Group Company are in good condition and repair in all material respects (reasonable wear and tear excepted). The foregoing assets plus the intangible property owned by the Group Companies collectively represent in all material respects all assets (including all rights and properties) necessary for the conduct of the Business of each Group Company in the manner as presently conducted.

No Group Company owns or has legal or equitable title or other right or interest in any real property other than as held pursuant to Leases. Each Group Company has the legal right to occupy each real property rented to such Group Company (the "Leased Properties") upon the terms and conditions of the tenancy agreements. Each of the Leased Properties are being used for lawful purposes, which is permitted by the relevant Lease agreement and the actual occupation has not violated any relevant land, construction or user regulations applicable to the Leased Properties. To the Knowledge of the Warrantors, the lessor under each Lease is qualified and has obtained all Consents necessary to enter into such Lease in material respects, including without limitation any Consent required from the owner of the property demised pursuant to the Lease if the lessor is not such owner. There is no material claim asserted or, to the Knowledge of the Warrantors, threatened by any Person regarding the lessor's ownership of the property demised pursuant to each Lease.

3.16 Related Party Transactions. Except for Related Party Transactions in consistence with the practice of ordinary course of business, no Related Party has any Contract (other than the employment agreement, the confidentiality and invention assignment agreement and the non-competition agreement, each in substantially the same form), understanding, or proposed transaction with, or is indebted to, any Group Company or has any direct or indirect ownership interest in any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Related Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits) (the "Related Party Transactions"). The Related Party Transactions (if any) are entered into in the ordinary course of business of the relevant Group Company on terms that are no less favorable than arm's length terms. No Related Party has any direct or indirect interest in any Person with which a Group Company is affiliated or with which a Group Company has a material business relationship (including any Person which purchases from or sells, licenses or furnishes to a Group Company any goods, intellectual or other property rights or services), or any Person that directly or indirectly competes with any Group Company, or any Contract to which a Group Company is a party or by which it may be bound or affected.

3.17 Intellectual Property Rights. Each Group Company owns or otherwise has the sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to all Intellectual Property necessary and sufficient to conduct its Business as

currently conducted by such Group Company (the "Company IP") without any conflict with or infringement of the rights of any other Person. All Intellectual Property registered in the name of the Group Company is valid and subsisting and has not been abandoned, and all necessary registration, maintenance and renewal fees with respect thereto and currently due have been satisfied. Each Group Company has taken reasonable and appropriate steps to protect, maintain and safeguard material Company IP and made all applicable filings, registrations and payments of fees in connection with the foregoing.

No Company IP is the subject of any Lien, license or other Contract granting rights therein to any other Person. No Company IP is subject to any proceeding or outstanding Governmental Order or settlement agreement or stipulation that (a) restricts in any manner the use, transfer or licensing thereof, or the making, using, sale, or offering for sale of any Group Company's products or services, by any Group Company, or (b) may affect the validity, use or enforceability of such Company Owned IP. No Group Company has (a) transferred or assigned any material Company IP; (b) authorized the joint ownership of, any material Company IP; or (c) permitted the rights of any Group Company in any material Company IP to lapse or enter the public domain. No Group Company has violated, infringed or misappropriated any Intellectual Property of any other Person, nor has any Group Company received any written notice alleging any of the foregoing. To the Knowledge of the Warrantors, no Person has violated, infringed or misappropriated any Company IP of any Group Company, and no Group Company has given any written notice to any other Person alleging any of the foregoing. No Person has challenged the ownership or use of the Company IP by a Group Company. No Group Company has agreed to indemnify any Person for any infringement, violation or misappropriation of any Intellectual Property by such Person.

3.18 Employment Matters. Each Group Company has complied with all applicable labor or employment laws in all the material aspects, including but not limited to payroll, withholding and related obligations, benefits and social security (including without limitation social insurance and housing accumulation funds), and does not have any obligation in respect of any amount due to employees of each Group Company or governmental authorities, other than normal salary, other fringe benefits and contributions accrued but not payable on the date hereof. There is not pending or to the Knowledge of the Warrantors threatened, and there has not been since the incorporation of each Group Company, any material Action relating to the violation or alleged violation of any applicable Laws by such Group Company related to labor or employment, including any charge or complaint filed by an employee with any Governmental Authority or any Group Company.

Each key employees of the Group Company is currently devoting most of his or her business time to the conduct of the business of the applicable Group Company. No such individual is currently working or, to the Knowledge of the Warrantors plans to work for any other Person that competes with any Group Company, whether or not such individual is or will be compensated by such Person.

3.19 Suppliers. To the Knowledge of the Warrantors, each of the major suppliers (collectively, the "Suppliers") can in all material respects provide sufficient and timely supplies of goods and services in order to meet the requirements of the Business consistent with prior practice. No Group Company has experienced or been notified of any material shortage in goods or services provided by its suppliers and has no reason to believe that any Supplier would not continue to provide to, or purchase from, respectively, or that it would otherwise materially alter its business relationship with, the Group at any time after the Closing on terms

substantially similar to those in effect on the date hereof. There is not currently any dispute pending between any Group Company and any Supplier.

3.20 Non-competition Obligation; No Dispute. There is no such non-competition or confidentiality obligation of the Founder to their prior employers or any other entities (i) that might directly or indirectly impair, restrict or impose conditions on any Group Company's or any Founder's right to carry on the Business and to enter into this Agreement and any Transaction Documents and consummate the transactions contemplated hereunder and thereunder, or (ii) having caused or might cause to any infringement of intellectual properties or any dispute, confiscation, claim, demand or similar legal proceedings.

3.21 Securities Laws Matters. The offer and sale of the Purchased Shares are exempted from the registration or qualification requirements of all applicable securities laws and regulations, and the issuance of Ordinary Shares upon conversion of the Purchased Shares in accordance with the Company's Memorandum and Articles, as may be amended from time to time, will be exempted from such registration or qualification requirements.

3.22 Data Privacy. In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively "Personal Information"), each Group Company are and have been, to the Warrantors' knowledge, in compliance in all material respects with all applicable Laws in all relevant jurisdictions, the Group Companies' privacy policies and the requirements of any contract or codes of conduct to which any Group Company is a party. The Group Companies have commercially reasonable physical, technical, organizational and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use and/or disclosure. The Group Companies are and have been, to the Warrantors' knowledge, in compliance in all material respects with all Laws relating to data loss, theft and breach of security notification obligations.

3.23 Full Disclosure. The Warrantors have provided the Series C Investor with all the information that the Series C Investor have requested for deciding whether to consummate the transactions contemplated under this Agreement. None of the Transaction Documents or any other statements or certificates or other materials made or delivered, or to be made or delivered, to the Series C Investor in connection herewith or therewith, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading. No representation or warranty by the Warrantors in this Agreement and no information or materials provided to the Series C Investor in connection with its due diligence investigation of the Group Company or the negotiation and execution of the Transaction Documents, taken as a whole, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact required to be stated therein or necessary in order to make the statement therein, in light of the circumstances in which they are made, not misleading.

4. Representations and Warranties of the Series C Investor.

The Series C Investor represents and warrants to the Company at the Closing that: (i) the Series C Investor has all requisite power and authority to execute and deliver this Agreement and each Transaction Document to which it is a party and to carry out and perform its obligations hereunder and thereunder, (ii) all action on the Series C Investor' part (and, as

applicable, its officers, directors and shareholders) necessary for the authorization, execution and delivery of this Agreement and each Transaction Document and the performance of all its obligations hereunder and thereunder has been taken, and (iii) this Agreement has been duly executed and delivered by the Series C Investor and constitutes, and each Transaction Document to which it is a party when executed and delivered by it will constitute, valid and legally binding obligations of it, enforceable against it in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other Laws of general application affecting enforcement of creditors' rights generally, and (b) as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

5. Conditions of the Series C Investor' Obligations at the Closing.

The obligations of the Series C Investor to consummate the Closing under Section 2 is subject to the fulfillment, to the satisfaction of the Series C Investor, on or prior to the Closing, or waiver by the Series C Investor, of the following conditions:

5.1 Representations and Warranties. Each of the representations and warranties of the Warrantors contained in Section 3 shall have been true and complete when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

5.2 Performance. Each Warrantor shall have performed and complied with all obligations and conditions contained in this Agreement and any Transaction Document that are required to be performed or complied with by them, on or before the Closing.

5.3 Authorizations. All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by any Party hereto (other than the Series C Investor) in connection with the consummation of the transactions contemplated by this Agreement shall have been duly obtained and effective as of the Closing, and evidence thereof shall have been delivered to the Series C Investor.

5.4 Proceedings and Documents. All corporate and other proceedings of the Warrantors, if applicable, in connection with the transactions to be completed as of the Closing and all documents incident thereto, including without limitation written approval from all of the then current holders of equity interests of each such Person, as applicable, with respect to this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby, shall have been completed in form and substance satisfactory to the Series C Investor, and the Series C Investor shall have received all such counterpart original or other copies of such documents as it may reasonably request.

5.5 Transaction Documents. Each of the parties (other than the Series C Investor) to the Transaction Documents shall have executed and delivered such Transaction Documents to the Series C Investor in the forms satisfactory to the Series C Investor.

5.6 Due Diligence. The Series C Investor shall have completed and be satisfied with the results of all business, legal and financial due diligence and any items requiring correction identified by the Series C Investor shall have been corrected to the Series C Investor' satisfaction. Without limiting the foregoing, the Series C Investor shall have received from the

Company or the relevant Group Company, as applicable, all documents and other materials requested by the Series C Investor for the purpose of examining and confirming (i) the rights of any Group Company with respect to its businesses as now conducted and proposed to be conducted and the status of such rights shall be satisfactory to the Series C Investor in their sole discretion, and (ii) the compliance with all applicable Tax reporting and payment requirements as of the Closing by the Group Companies. For the avoidance of doubt, the signing of this Agreement shall be deemed as the fulfillment of this condition precedent.

5.7 Investment Committee Approval. The Series C Investor' investment committee, management, board of directors or other authorizing body, where applicable, shall have approved the Series C Investor' purchase of the Purchased Shares on or prior to the Closing pursuant to this Agreement. For the avoidance of doubt, the signing of this Agreement shall be deemed as the fulfillment of this condition precedent.

5.8 No Material Adverse Change. There has not been any Material Adverse Effect on the condition (financial or otherwise), assets relating to, or results of operation of or business (as presently conducted and proposed to be conducted) of any Group Company.

5.9 No Litigation. No action, suit, proceeding, claim, arbitration or investigation shall have been threatened or instituted against the Founder, the Group Companies or the Series C Investor seeking to enjoin, challenge the validity of, or assert any liability against any of them on account of, any transactions contemplated by this Agreement.

5.10 Amendment of Charter Documents. The Memorandum and Articles, in the form attached hereto as Exhibit A, shall have been duly adopted by all necessary action of the Board of Directors and/or the members of the Company, and such adoption shall have become effective prior to the Closing with no alternation or amendment as of the Closing, with evidence thereof being furnished to each of the Investors to its reasonable satisfaction, and the Memorandum and Articles shall have been duly submitted for filing with the Registrar of Companies of the Cayman Islands at the Closing as evidenced by an email confirmation from the registered office provider of the Company.

5.11 Closing Certificate. The Warrantors shall have executed and delivered to the Series C Investor at the Closing a certificate dated as of the Closing stating that the conditions specified in this Section 5 (except for Section 5.6 and Section 5.7) have been fulfilled as of the Closing.

6. Conditions of the Warrantors' Obligations at the Closing.

The obligations of the Warrantors to consummate the Closing under Section 2 of this Agreement, unless otherwise waived in writing by the Warrantors, are subject to the fulfillment by the Series C Investor on or before the Closing of each of the following conditions:

6.1 Representations and Warranties. The representations and warranties of the Series C Investor contained in Section 4 shall have been true and complete when made and shall be true and complete on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the date of the Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

6.2 Performance. The Series C Investor shall have performed and complied with all covenants, obligations and conditions contained in this Agreement that are required to be performed or complied with by such Series C Investor on or before the Closing.

6.3 Authorizations. All Consents of any competent Governmental Authority or of any other Person that are required to be obtained by the Series C Investor in connection with the consummation of the transactions contemplated by this Agreement shall have been duly obtained and effective as of the Closing.

6.4 Transaction Documents. The Series C Investor shall have executed and delivered to the Warrantors the Transaction Documents to which it is a party.

6.5 Provision of the Loan. The Series C Investor shall have provided the Loan to Baijiashilian on the terms and conditions specified in the Loan Agreement.

7. Confidentiality.

7.1 Disclosure of Terms. The terms and conditions of the Transaction Documents, and all Exhibits and Schedules attached to such agreements (collectively, the "Confidential Information"), shall be considered confidential information and shall not be disclosed by any Party hereto to any third party.

7.2 Press Releases. No announcement regarding any of the Confidential Information in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the prior written consent of the Series C Investor. Any press release issued by the Company shall not disclose any of the Confidential Information and the final form of such press release shall be approved in advance in writing by the Series C Investor.

7.3 Permitted Disclosures. Notwithstanding the foregoing, Section 7.1 shall not apply to (a) Confidential Information which a restricted party learns from a third party which such third party reasonably believes to have the right to make the disclosure, provided that the restricted party complies with any restrictions imposed by such third party; (b) Confidential Information which is rightfully in the restricted party's possession prior to the time of disclosure by the protected party and not acquired by the restricted party under a confidentiality obligation; (c) Confidential Information which enters the public domain without breach of confidentiality by the restricted party; (d) disclosures of Confidential Information by a Party to its current or bona fide prospective Series C Investor, Affiliates and their respective employees, bankers, lenders, accountants, legal counsels, business partners or representatives or advisors who need to know such information, in each case only where such persons or entities are informed of the confidential nature of the Confidential Information and are under appropriate nondisclosure obligations substantially similar to those set forth in Section 7; (e) disclosures of Confidential Information to a bona fide purchaser or transferee of the Shares held by the Series C Investor where such purchaser or transferee is informed of the confidential nature of the Confidential Information and are under appropriate nondisclosure obligations substantially similar to those set forth in this Section 7; (f) disclosures of Confidential Information if such disclosure is approved in writing by the Company, the Founder and the Series C Investor;(g) for the Series C Investor, any information for fund and inter-fund reporting purposes; and (h) disclosures of Confidential Information to the extent required pursuant to applicable Law (including the applicable rules of any stock exchange), in which case the party required to make such disclosure (the "Disclosing Party") shall provide the other Parties hereto with prompt

written notice of that fact, shall consult with the other Parties hereto regarding such disclosure, and shall, to the extent reasonably possible and with the cooperation and reasonable efforts of the other Parties, seek a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed.

7.4 The provisions of this Section 7 shall terminate and supersede the provisions of any separate nondisclosure agreement executed by any of the Parties hereto with respect to the transactions contemplated hereby, including without limitation, any term sheet, letter of intent, memorandum of understanding or other similar agreement entered into by the Company and the Series C Investor in respect of the transactions contemplated hereby.

8. Undertaking.

8.1 Use of Proceeds. The Group Companies shall use the proceeds from the issuance and sale of the Purchased Shares for purpose of the business expansion, capital expenditures and general working capital needs of the Group Companies in accordance with the budgets and business plans of the Company duly approved in accordance with the Shareholders Agreement and Memorandum and Articles of the Company, and shall not use such proceeds to pay any debt of the Group Companies or the Founder, or to repurchase or cancel any securities held by any shareholder of the Group Companies or to make any payments to the shareholders or Affiliates of any Group Company or for any other purposes without the prior written consent of the Series C Investors.

8.2 Business of the Group Companies. Unless otherwise agreed by the Series C Investor in written,

(i) the business of the Company shall be restricted to the holding, management and disposition of equity interest in the HK Company;

(ii) the business of the HK Company shall be restricted to the holding, management and disposition of equity interest in the WFOE; and

(iii) the business of the Domestic Companies and the WFOE shall be restricted to their respective Business.

8.3 Conduct of Business. During the period from the date hereof to the Closing, each Group Company shall:

(i) use reasonable efforts to preserve intact its business organization and keep available the services of present employees, in each case in accordance with past practice;

(ii) comply in all material respects with all Laws applicable to it or to the conduct of its business and, in the ordinary course consistent with past practice, perform and comply with all Contracts, commitments and obligations by which it is bound;

(iii) duly and timely file (giving effect to any permitted extensions) all Tax returns or reports required to be filed with taxing authorities and portly pay all Taxes, assessments and governmental charges levied or assessed upon them or any of their properties (unless contesting the same in good faith and adequate provision has been made therefore);

(iv) in the ordinary course consistent with past practice, preserve, advertise, promote and market its business, keep its properties intact, maintain good commercial working relationships with its suppliers and customers, preserve its goodwill, and maintain all physical properties in good operating condition;

(v) in the ordinary course consistent with past practice, preserve and protect its Intellectual Property; and

(vi) operate its business solely in the ordinary course consistent with past practice.

8.4 Notice of Litigation and Proceedings. Starting from the date hereof, the Warrantors shall give prompt notice in writing to the Series C Investor of any litigation, arbitral proceeding and regulatory proceedings affecting any of the Group Companies or any of their respective properties or the transactions contemplated under the Transaction Documents.

8.5 Notice of Developments. Starting from the date hereof, the Warrantors shall give prompt written notice to the other parties of any material adverse development that results in or could reasonably be expected to result in a breach of any of the representations, warranties, covenants or agreements contained in this Agreement.

8.6 No Engagement. Until (i) the first anniversary of a Qualified Public Offering, (ii) the Liquidation Event (as defined in the Memorandum and Articles), or (iii) the Series C Investor holds no Equity Securities of the Company, whichever is earlier, the Founder (i) shall be subject to the terms and conditions of the employment agreement with a Group Company and devote most of his professional time to attend the business of the Group Companies; (ii) shall not seek or engage in any other business (no matter whether such business is similar to or competing with the business carried on by any Group Company) or endeavors unless with prior written approval of the Series C Investor; and (iii) shall not resign from the Group Companies unless his resignation or alternative arrangement for such resignation is approved by the Series C Investor.

8.7 Compliance with Laws. The Group Companies shall, and each Warrantor shall cause the Group Companies to, conduct their respective business in compliance in all material respects with all applicable Laws, and obtain, make and maintain in effect, all Consents from the relevant Governmental Authority or other Person required in respect of the due and proper establishment and operations of each Group Company as now conducted in accordance with applicable Laws.

8.8 Stamped Memorandum and Articles. The Company shall obtain the duly stamped Memorandum and Articles and provide the scan copy of the same to the Series C Investor within fifteen (15) Business Days after the Closing.

8.9 Subject to the provisions as set forth in the Loan Agreement, in the event that the Series C Investor fails to obtain its ODI Approvals on or before Closing Longstop Date for reasons that are not attributable to the Group Company and/or the Founder, the obligations of any Group Company under this Agreement may be terminated by written notice by such Group Company to such Series C Investor, at such Group Company's own election and discretion, after which this Agreement shall be of no further force or effect with respect to such Series C Investor. The Closing Longstop Date may be extended upon mutual consent of the Company and the Series C Investor. The Company shall give the Series C Investor a written notice on the status of the Qualified IPO thirty (30) days prior to the Closing Longstop Date.

8.10 Confirmation from Zhiyun Lingfei Team. As soon as practicable after the Closing, the Group Companies shall obtain a confirmation letter from Zhiyun Lingfei Team in form and substance satisfactory to the Series C Investor, stating that (i) all the obligations of Baijiashilian under the Zhiyun Lingfei Acquisition Agreement have been fulfilled; (ii) Zhiyun Lingfei Team waives any and all claims against Baijiashiyun in connection with the Zhiyun Lingfei Acquisition Agreement and the matters prescribed thereunder, and (iii) there is no dispute, controversy or claim between Baijiashilian and the Zhiyun Lingfei Team in connection with the Zhiyun Lingfei Acquisition Agreement.

8.11 Registration of Local Branches in Shanghai, Shenzhen and Changsha. As soon as practicable after the Closing, the Group Companies shall complete the registration of loach branches in Shanghai, Shenzhen and Changsha with competent SAMR.

8.12 Filing of Graded Protection of Cybersecurity and Mobile Apps. As soon as practicable after the Closing, the Group Companies shall complete the filing of graded protection of cybersecurity (信息系统安全等级保护备案) with respect to its computer information system, and shall complete the filing of the mobile apps that offers certain educational services with competent provincial education department.

8.13 Proprietary Rights Protection. The Group Companies shall establish and maintain appropriate intellectual inspection system to protect the proprietary rights of all Intellectual Properties of the Group Companies. The Group Companies shall, and the Founders shall cause the Group Companies to, fully comply with the Laws in respect of the protection of the proprietary rights of all Intellectual Properties owned or used by the Group Companies and refrain from infringing from the proprietary rights of all Proprietary Assets of other parties.

As soon as practicable after the Closing, each of the Group Companies shall, apply, register, obtain and/or maintain any and all Intellectual Properties necessary for its business operation, including but not limited to any trademarks, patents, copyrights or domain names, with competent government authorities once qualified.

8.14 Filing of Lease Agreements. As soon as practicable after the Closing and as required by the competent Governmental Authority, the Warrantors shall use commercially reasonable efforts to file the lease agreements of each Group Company with the relevant real property administration authorities.

8.15 Shareholding of Domestic Companies. In the event (i) the validity or stability of the VIE structure of the Group Companies is challenged; (ii) any Control Agreements is terminated for any reason, or (iii) there is any material amendment to or breach of any Control Agreement which is in violation of the Shareholders Agreement and Memorandum and Articles, upon the request of the Series C Investor, a nominee designated by such Investor shall, by ways acceptable to such Series C Investor, acquired certain equity interests of the Baijiashilian and/or any other Domestic Companies (other than the WFOE) for free. After such acquisition of equity interests, the share percentage held by the nominee of such Series C Investor in such Domestic Companies shall be equal to the percentage of then outstanding share capital of the Company (on an as-converted basis) that is owned by such Series C Investor. All necessary documentation to facilitate such nominee designated by such Sereis C Investor for the acquisition of such equity interests of such Domestic Companies shall have been executed and delivered to such Series C Investor in a form and substance reasonably satisfactory to such Series C Investor (including the amended and restated articles of association of such Domestic Companies and the then effective existing Control Agreements (as amended from time to time),

which shall reflect relevant rights of such Series C Investor under the Transaction Documents, collectively, the "**Application Documentation**").

Within one (1) months upon the request of the Series C Investor, such Series C Investor shall be provided with evidence satisfactory to it proving that relevant Domestic Companies have duly filed the Application Documentation with the relevant Governmental Authorities. In the event that an minimum amount of capital contribution is required for such Series C Investor to acquire the equity interests of the such Domestic Companies, the Group Company shall take all necessary measures to ensure such Series C Investor acquires such equity interests at no costs, including without limitation to have the Founder transfer such amount of equity interests to such Series C Investor free of charge or have any Group Company provide funding to such Series C Investor at no cost of such Series C Investor to subscribe such equity interests.

8.16 Use of New Oriental's Name or Logo. Without the prior written consent of New Oriental, and whether or not New Oriental then holds, directly or indirectly, the Series C Warrant or any Equity Securities of the Company, none of the Group Companies shall use, publish or reproduce the trademark or brand text or logo of "New Oriental" or "新东方" or "xdf" in any form in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes.

8.17 Completion of VIE Restruction. Within three (3) months after the Closing, the Group Company shall (i) complete the establishment of WFOE and such WFOE shall execute a joinder agreement to this Agreement in the form attached hereto as Exhibit E and a joinder agreement to the Shareholders Agreement in the form attached thereto as Exhibit B; (ii) execute the Control Documents in form and substance satisfactory to the Series C Investor; (iii) cause the equity pledge as contemplated by the equity pledge agreement (股权质押协议) in the Control Documents to be duly registered in accordance with applicable PRC Laws; and (iv) ensure that all the Prior Shareholders Agreements have been terminated and superseded by the Shareholders Agreement (collectively, the "VIE Restruction"). In the event of the failure of the Company to complete VIE Restruction within three (3) months after the Closing, the Series C Investor is entitled to request the Company to repay the Loan immediately in accordance with the Loan Agreement.

9. Termination.

9.1 Termination of Agreement. This Agreement and the transactions contemplated by this Agreement shall terminate if:

(i) the Parties hereto mutually agree to terminate this Agreement in writing;

(ii) at any time before Closing, any other undertaking or obligation of the Warrantors under this Agreement has been materially breached and (a) such breach is incurable, or (b) such breach is curable and has not been cured within thirty (30) business days after receipt of the written notice from the Series C Investor, then the Series C Investor may in its sole discretion without any liability on its part, by notice in writing to the other Parties, rescind or terminate this Agreement.

9.2 Effect of Termination. Upon the termination of this Agreement pursuant to Section 9.1 hereof, this Agreement shall become null and void and the rights and obligations of the Parties hereunder shall terminate and expire without any liability of any Party to any other Party; provided, however, that (a) the provisions and obligations of the Parties under this

Section 9.2, Section 7 and Section 10 hereof shall survive any such termination, and (b) nothing in this Section 9.2 shall be deemed or construed to limit, diminish or otherwise impair any liability that a Party in material breach of its representations, warranties, covenants or agreements hereunder may have to the other Party under applicable Law or in equity.

10. Miscellaneous.

10.1 Indemnity.

(i) General Indemnity. Each of the Warrantors hereby agrees to jointly and severally indemnify and hold harmless each Indemnitee from and against all Indemnifiable Loss, arising out of or resulting from: (i) the breach of any representation or warranty made by any of the Warrantors contained in this Agreement or in any of the other Transaction Documents, (ii) the breach of any covenant or agreement by any of the Warrantors contained in this Agreement or in any other Transaction Document, (iii) the obligations and responsibilities for risks of recovering and fines relating to the penalties, recovering, supplementary payment, compensation, late fees, indemnification, fines or other remedy measures caused by violation of applicable Laws, or (iv) any other matters, things or events which give rise to them suffering or incurring Indemnifiable Losses with respect to their or their Affiliates' investments (whether by subscription of new shares or any increase in the registered capital, or by transfer of existing shares or equity interests) in the Baijiashilian, the Company or any other Group Company. The provisions of this Section 10.1 shall survive any termination of this Agreement.

(ii) Special Indemnity. Without limiting the generality of the foregoing, each Warrantor shall, jointly and severally, indemnify and hold harmless each Indemnitee from and against any and all Indemnifiable Losses suffered by such Indemnitee, directly or indirectly, as a result of, or based upon or arising from (a) any Action in connection with any failure to pay Social Insurance contribution by any Group Company before the Closing, (b) any failure to obtain any Consent required for the business operation of any Group Company before the Closing, (c) any Tax liability of any Group Company accrued before the Closing, and (d) any infringement of Intellectual Property by or of any third party (including infringement of any Intellectual Property of any of the Founder's former employers) in connection with or arising from any Group Company's conducting of its Business or any Group Company's use of such Intellectual Properties. Such indemnification shall not be prejudiced by or be otherwise subject to any disclosure.

(iii) Notwithstanding any other provision contained herein, absent fraud, intentional misrepresentation, or willful misconduct of the Warrantors, the maximum aggregate liability of the Founder, the Founder Holding Company, and the Senior Management Holding Companies towards the Indemnitee for and against any and all Indemnifiable Loss shall be limited to the consideration actually obtained from the disposal at a price not lower than the fair market value of the Ordinary Shares directly or indirectly held by it in the Group Companies.

10.2 Tax Basis Indemnification. The Warrantors shall cooperate with and provide all the necessary assistance to the Series C Investor required to obtain the ODI Approvals within a reasonable period of time. If the Series C Investor has not obtained the ODI Approvals before the consummation of the Qualified IPO of the Company, such Series C Investor or its designated party shall be entitled to purchase the Series C Preferred Shares under its Series C Warrant at par value or nominal price. To the extent that such Series C Investor's failure to

obtain the ODI Approval is solely attributable to the Company, in the event of a sale of Shares in the Company by the Series C investor after its exercise of the Series C Warrant, the Company shall indemnify such Series C Investor for any shortfall between the total Exercise Price (as defined in the Series C Warrant) paid by the Series C Investor pursuant to the Series C Warrant and the actual tax basis equal to the Subscription Price. If the amount of investment approved by the Governmental Authority to be invested in the Company (the "**Approved Investment Amount**") is less than the Subscription Price, the Company shall cooperate with such Series C Investor to inject the Approved Investment Amount into the Company for all the Series C Preferred Shares that such Series C Investor is entitled to purchase under its Series C Warrant. To the extent that such Series C Investor's failure to obtain the ODI Approval for all the Subscription Price is solely attributable to the Company, in the event of a sale of Shares in the Company by the Series C investor after its exercise of the Series C Warrant, the Company shall indemnify such Series C Investor for any shortfall between the total Exercise Price paid by the Series C Investor pursuant to the Series C Warrant and the actual tax basis equal to the Subscription Price.

10.3 Further Assurances. Upon the terms and subject to the conditions herein, each of the Warrantors agrees to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties hereto in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the other Transaction Documents and, to the extent reasonably requested by another Party, to enforce rights and obligations pursuant hereto or thereto.

10.4 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights and obligations therein may not be assigned by any Warrantor without the prior written consent of the Series C Investor. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The rights of the Series C Investor hereunder are assignable to any Person in connection with the transfer (subject to applicable Laws) of Equity Securities or Series C Warrant held by the Series C Investor but only to the extent of such transfer, and any such transferee shall execute and deliver to the Company and the other Parties hereto a joinder agreement becoming a Party hereto as an "Series C Investor" subject to the terms and conditions hereof.

10.5 Governing Law. This Agreement shall be governed by and construed under the Laws of Hong Kong, without regard to principles of conflict of Laws thereunder.

10.6 Dispute Resolution.

(i) Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other.

(ii) The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the "HKIAC") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "HKIAC Rules") in force when the Arbitration Notice is submitted in accordance with the HKIAC Rules. There shall be three (3) arbitrators to be appointed according to the HKIAC Rules. The HKIAC Council shall select the arbitrator, who shall be qualified to practice law in Hong Kong.

(iii) The arbitration shall be conducted in Chinese. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

10.7 Notices. Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as provided in the Shareholders Agreement (or at such other address as such Party may designate by fifteen (15) days' advance written notice to the other Parties to this Agreement given in accordance with this Section 10.7. Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or electronic mail, service of the notice shall be deemed to be affected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a "with a copy to" address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

10.8 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties hereto acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement.

10.9 Fees and Expenses. With respect to the Series C Investor, subject to a cap of RMB600,000 (excluding VAT), at the Closing or in the event that the transactions contemplated herein fail to consummate due to the reason of Warrantors, the Company shall bear the legal, financial and all other expenses (the "Transaction Expenses") incurred by the Series C Investor in respect of the negotiation, preparation, execution and carrying into effect of this Agreement and the transactions contemplated herein, while the Series C Investor shall bear its own expenses if the entire transactions contemplated herein fail to consummate solely due to the reason of the Series C Investor. If the transactions contemplated by this Agreement fail to be

consummated due to reasons beyond control of the Series C Investor and the Warrantors, the Series C Investor and the Warrantors shall bear fifty percent (50%) of the Transaction Expenses of the Series C Investor.

10.10 Severability. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

10.11 Amendments and Waivers. Any term of this Agreement may be amended, only with the written consent of each of (a) the Warrantors and (b) the Series C Investor. Any amendment effected in accordance with this paragraph shall be binding upon each of the Parties hereto. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Party against whom such waiver is sought.

10.12 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy power hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

10.13 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

10.14 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.

10.15 Headings and Subtitles; Interpretation. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term “or” is not exclusive; (ii) words in the singular include the plural, and words in the plural include the singular; (iii) the terms “herein”, “hereof”, and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other

subdivision; (iv) the term "including" will be deemed to be followed by, "but not limited to"; (v) the masculine, feminine, and neuter genders will each be deemed to include the others; (vi) the terms "shall", "will", and "agrees" are mandatory, and the term "may" is permissive; (vii) the term "day" means "calendar day", and "month" means calendar month; (viii) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement; (ix) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement; (x) the phrase "directly or indirectly" means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and "direct or indirect" has the correlative meaning;(xi) references to laws include any such law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made; (xii) each representation, warranty, agreement, and covenant contained herein will have independent significance, regardless of whether also addressed by a different or more specific representation, warranty, agreement, or covenant;(xiii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards;(xiv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms; (xv) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time;and (xvi) all references to dollars or to "US$" are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

10.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness of this Agreement.

10.17 Entire Agreement. This Agreement and the Transaction Documents, together with all schedules and exhibits hereto and thereto, constitute the full and entire understanding and agreements among the Parties with regard to the subjects hereof and thereof, and supersede all other agreements between or among any of the Parties with respect to the subject matters hereof and thereof, and no Party shall be liable or bound to any other Party in any manner by any warranties, representations, or covenants except as specifically set forth herein or therein.

10.18 Use of English Language. This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMPANY:

Baijiayun Limited
For and on behalf of
BaiJiaYun Limited

By:_____
Name:
Title:
Authorized Signature(s)

HK COMPANY:

Baijia Cloud Limited
For and on behalf of
BaiJia Cloud Limited

By:_____
Name:
Title:
Authorized Signature(s)

DOMESTIC COMPANY:

Beijing Baijiashilian Technology Co., Ltd. (北京百家视联科技有限公司) (affix)

By:_____
Name: Gangjiang Li (李钢江)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

FOUNDER:

Gangjiang Li (李钢江)

Jia Jia Ltd.

For and on behalf of
Jia Jia Ltd

By:_____
Authorized Signature(s)
Name: Gangjiang Li (李钢江)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Nuan Nuan Ltd

For and on behalf of
Nuan Nuan Ltd

By: _____
Authorized Signature(s)
Name:
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Duo Duo International Limited

For and on behalf of
Duo Duo International Limited

By: _____
Name: .....
Title: Authorized Signatory

Authorized Signature(s)

Signature Page to Share Purchase Agreement

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES C INVESTOR:

New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang) Partnership (L.P.)(新东方行知教育文化产业基金（张家港）合伙企业（有限合伙））

By: _____
Name:
Title: Authorized Signatory

SCHEDULE I

CAPITALIZATION TABLE IMMEDIATELY BEFORE CLOSING (ASSUMING FULL EXERCISE OF WARRANTS)

Shareholder	Class of Shares	Number of Shares	Percentage
Jia Jia Limited	Ordinary Shares	21,650,830	26.10%
Duo Duo International Limited	Ordinary Shares	10,940,641	13.19%
Nuan Nuan Ltd	Ordinary Shares	2,800,000	3.38%
ABUNDANT MAGNUM LIMITED	Ordinary Shares	200,005	0.24%
IBettering International Group Limited	Ordinary Shares	5,047,504	6.08%
IGrowing International Group Limited	Ordinary Shares	3,430,320	4.14%
IBettering International Group Limited	Series A Preferred Shares	901,333	1.09%
IGrowing International Group Limited	Series A Preferred Shares	574,017	0.69%
QFcapital Limited	Series A Preferred Shares	900,008	1.08%
QF Group Limited	Series A Preferred Shares	799,993	0.96%
Banyan Partners FundII, L.P.	Series A Preferred Shares	1,499,996	1.81%
Bshvc Limited	Series A Preferred Shares	115,079	0.14%
华图宏阳国际有限公司	Series A Preferred Shares	5,132,096	6.19%
容和国际有限公司	Series A Preferred Shares	73,541	0.09%
Jia Jia Limited	Series A+ Preferred Shares	7,097,447	8.56%
BSH Winning Limited	Series A+ Preferred	3,424,967	4.13%

	Shares		
贵阳市服务外包及呼叫产业创业投资基金有限公司	Series A+ Preferred Shares	1,894,679	2.28%
北京国科鼎智股权投资中心（有限合伙）	Series B Preferred Shares	1,356,174	1.63%
SMCD Limited	Series B Preferred Shares	1,284,992	1.55%
Xiangmu Ltd	Series B Preferred Shares	71,182	0.09%
Yijia Enterprise Management Limited	Series B Preferred Shares	1,107,553	1.34%
Arbor Investment Holdings Limited	Series B Preferred Shares	1,107,553	1.34%
深圳前海青蓝博观创业投资管理中心（有限合伙）	Series B Preferred Shares	2,797,143	3.37%
GP Hitech Holdings Limited	Series B Preferred Shares	3,322,672	4.01%
GP Venture Capital Limited	Series B+ Preferred Shares	2,034,280	2.45%
深圳市达晨创鸿私募股权投资企业（有限合伙）	Series B+ Preferred Shares	3,085,324	3.72%
深圳市财智创赢私募股权投资企业（有限合伙）	Series B+ Preferred Shares	305,142	0.37%
/	/	82,954,471	100.00%

SCHEDULE II

CAPITALIZATION TABLE IMMEDIATELY AFTER CLOSING (ASSUMING FULL EXERCISE OF WARRANTS)

Shareholder	Class of Shares	Number of Shares	Percentage
Jia Jia Limited	Ordinary Shares	21,650,830	22.82%
Duo Duo International Limited	Ordinary Shares	10,940,641	11.53%
Nuan Nuan Ltd	Ordinary Shares	2,800,000	2.95%
ABUNDANT MAGNUM LIMITED	Ordinary Shares	200,005	0.21%
IBettering International Group Limited	Ordinary Shares	5,047,504	5.32%
IGrowing International Group Limited	Ordinary Shares	3,430,320	3.62%
IBettering International Group Limited	Series A Preferred Shares	901,333	0.95%
IGrowing International Group Limited	Series A Preferred Shares	574,017	0.61%
QFcapital Limited	Series A Preferred Shares	900,008	0.95%
QF Group Limited	Series A Preferred Shares	799,993	0.84%
Banyan Partners FundII, L.P.	Series A Preferred Shares	1,499,996	1.58%
Bshvc Limited	Series A Preferred Shares	115,079	0.12%
华图宏阳国际有限公司	Series A Preferred Shares	5,132,096	5.41%
容和国际有限公司	Series A Preferred Shares	73,541	0.08%
Jia Jia Limited	Series A+ Preferred Shares	7,097,447	7.48%
BSH Winning Limited	Series A+ Preferred	3,424,967	3.61%

	Shares		
贵阳市服务外包及呼叫产业创业投资基金有限公司	Series A+ Preferred Shares	1,894,679	2.00%
北京国科鼎智股权投资中心（有限合伙）	Series B Preferred Shares	1,356,174	1.43%
SMCD Limited	Series B Preferred Shares	1,284,992	1.35%
Xiangmu Ltd	Series B Preferred Shares	71,182	0.08%
Yijia Enterprise Management Limited	Series B Preferred Shares	1,107,553	1.17%
Arbor Investment Holdings Limited	Series B Preferred Shares	1,107,553	1.17%
深圳前海青蓝博观创业投资管理中心（有限合伙）	Series B Preferred Shares	2,797,143	2.95%
GP Hitech Holdings Limited	Series B Preferred Shares	3,322,672	3.50%
GP Venture Capital Limited	Series B+ Preferred Shares	2,034,280	2.14%
深圳前海青蓝博观创业投资管理中心（有限合伙）	Series B+ Preferred Shares	3,085,324	3.25%
深圳市财智创赢私募股权投资企业（有限合伙）	Series B+ Preferred Shares	305,142	0.32%
ESOP	Ordinary Shares	9,486,042	10.00%
新东方行知教育文化产业基金（张家港）合伙企业（有限合伙）	Series C Preferred Shares	2,419,909	2.55%
/	/	94,860,422	100.00%

Schedule II

SCHEDULE III

SERIES C INVESTOR

Series C Investor	**Number of Subscription Shares**	**Class of Subscription Shares**	**Subscription Price (RMB)**
New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang) Partnership (L.P.)(新东方行知教育文化产业基金（张家港）合伙企业（有限合伙）)	2,419,909	Series C Preferred Shares	RMB75,000,000 or its US$ equivalent

EXHIBIT A

Memorandum and Articles

EXHIBIT A

EXHIBIT B

Shareholders Agreement

EXHIBIT B

EXHIBIT C

Loan Agreement (人民币贷款协议)

EXHIBIT C

EXHIBIT D

Series C Warrant

EXHIBIT D

Exhibit E

JOINDER TO SHARE PURCHASE AGREEMENT

This Joinder Agreement (this "**Joinder Agreement**") is made as of the date written below by the undersigned (the "**Joining Party**") in accordance with the Share Purchase Agreement dated as of [*], 2021 (the "**Share Purchase Agreement**") by and among Baijiayun Limited, a company established and existing under the Laws of the Cayman Islands (the "Company"), the Series C Investor (as defined therein) and certain other parties thereto.

Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Share Purchase Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to the Share Purchase Agreement as of the date hereof and shall have all of the rights and obligations of a "WFOE" or a "Group Company" or a "Warrantor" thereunder as if it had executed the Share Purchase Agreement. The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Share Purchase Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: [•]

[NAME OF JOINING PARTY]

By: _____
Name:
Title:

Address and facsimile number for Notices:

Accepted and Agreed:

[NAME OF THE COMPANY]

For and on behalf of
BaiJiaYun Limited

By: _____
Authorized Signature(s)
Name:
Title:

Exhibit 4.3

WARRANT AGREEMENT
Baijiayun Group Ltd

This Warrant Agreement (the "**Warrant**" or the "**Agreement**") is issued to, _____, a limited [partnership/company] organized in _____ (the "**Warrant Holder**"), by Baijiayun Group Ltd, an exempted company incorporated in the Cayman Islands (the "**Company**") with limited liability with effect from _____, 20_____.

RECITALS

WHEREAS, the Company hereby agrees to grant to the Warrant Holder this Warrant to purchase _____ Class A Ordinary Shares of par value of US$0.519008 each (the "**Warrant Shares**") in the capital of the Company on and subject to the terms of this Warrant. The Company agrees that this Warrant shall accord its holder(s) with all rights and obligations attached to a holder of the Warrant Shares issued or issuable upon the exercise of the then outstanding Warrant, as if such holder(s) had exercised the Warrant and been duly registered as a shareholder of the Company.

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants hereinafter set forth, the parties to this Agreement hereby agree as follows:

1. **Warrant Exercise.**

(a) After the Warrant Holder has completed all of the consents, approvals, authorizations or registrations, qualifications, or filings with any governmental authority in the PRC required in connection with the investment of the Warrant Holder into the Company, including without limitation the approvals from, and filings and registrations with competent branches of the national development and reform commission, the ministry of commerce, the state administration of foreign exchange, as well as other competent PRC governmental authorities with jurisdiction of the outbound direct investment by PRC entities (the aforesaid approvals, filings, authorizations or registrations, collectively the "**ODI Approvals**"), the Warrant Holder is entitled, upon surrender of this Warrant to the Company, to purchase an aggregate of _____ Warrant Shares (as adjusted to share dividend, split, combination, recapitalization and other similar transactions) of the Company, at US$ 0.519008 per Share, by paying the Company the exercise price (the "**Exercise Price**") in an aggregate amount of US$ _____.

2. **Manner of Exercising Warrant.**

(a) Actions by Warrant Holder. To exercise this Warrant in full or in part in accordance with Section 1 above, the Warrant Holder shall take the following actions:

(i) surrender this Warrant and copy of ODI Approvals to the Company;

(ii) execute and deliver to the Company a form of Notice of Exercise attached hereto; and

(iii) pay on the exercise date an amount equal to the aggregate Exercise Price or the equivalent consideration permitted under this Warrant for the purchased Warrant Shares by wire transfer of immediately available funds.

(b) Execution of Agreements. The Warrant Holder shall be required, as a condition precedent to acquiring the Warrant Shares through exercise of this Warrant, to execute one or more agreements relating to obligations in connection with ownership of the Warrant Shares or restrictions on transfer of the Warrant Shares, including but not limited to the Shareholders' Agreement, as mended from time to time.

(c) Investment Representations. If required by the Company, the Warrant Holder shall give the Company satisfactory assurance in writing, signed by the Warrant Holder that such Warrant Shares are being purchased for investment and not with a view to the distribution thereof, provided that such assurance shall be deemed inapplicable to (i) any sale of such Warrant Shares by such Warrant Holder made in accordance with the terms of a registration statement covering such sale, which may hereafter be filed and become effective under the Securities Act of 1933, as amended (the "**Securities Act**"), and with respect to which no stop order suspending the effectiveness thereof has been issued, and (ii) any other sale of such Warrant Shares with respect to which in the opinion of counsel for the Company, such assurance is not required to be given in order to comply with the provisions of the Securities Act.

(d) Delivery of Certificates. As soon as practicable after receipt of the notice required in Section 2(a) above and satisfaction of the conditions set forth in Sections 2(b) and 2(c), the Company shall deliver to the Warrant Holder at the office of the Company, or such other place as may be mutually acceptable to the Company and such Warrant Holder, a certificate or certificates representing such Warrant Shares; provided, however, that the time of such delivery may be postponed by the Company for such period as may be required for it to comply with reasonable diligence with applicable registration requirements under the Securities Act, the Securities Exchange Act of 1934, as amended, any applicable listing requirements of any national securities exchange, and requirements under any other law or regulation applicable to the issuance or transfer of such Warrant Shares.

3. **Adjustments for Changes in Warrant Shares.**

If there should be any change in a class of Warrant Shares subject to this Warrant, through merger, consolidation, reorganization, recapitalization, reincorporation, share split, share dividend or other change in the capital structure of the Company, the Company shall make appropriate adjustments in the number of shares of such Warrant Shares subject to this Warrant and in the price per share. Any new, substituted or additional securities or property which is distributed with respect to the Warrant Shares shall be immediately subject to the provisions of Section 4 hereunder, but only to the extent the Warrant Shares are at such time covered by such provisions. Any adjustment made pursuant to this Section 3 as a consequence of a change in the capital structure of the Company shall not entitle the Warrant Holder to acquire a number of

shares of such Warrant Shares of the Company or shares of any successor company greater than the number of shares the Warrant Holder would receive if, prior to such change, the Warrant Holder had actually held a number of shares of such Warrant Shares equal to the number of shares then subject to this Warrant.

Upon the execution of this Agreement and after the exercise of the Warrant under this Agreement by the Warrant Holder who becomes the Company's holder of Warrant Shares thereafter, the Warrant Holder shall have rights, preferences and privileges associated with the Warrant Shares set forth in the Restated M&A of the Company, as amended.

4. **Limitations on Transfer of Warrant.**

This Warrant shall be exercisable only by the Warrant Holder or its Affiliate approved by the Company. Except for transfer this Warrant to its Affiliate approved by the Company, this Warrant shall be transferred by the Warrant Holder under conditions that:

(i) the transferee is not a Competitor listed (if applicable) in Shareholders' Agreement (as amended from time to time) and shall make the same representations and warranties to the Company as specified in the Share Subscription Agreement (if any);

(ii) the transferee (a) shall have obtained ODI Approvals with respect of exercising this Warrant if such transferee shall obtain the ODI Approvals in accordance with the PRC laws, or (b) is an offshore private equity or venture capital investment fund which is not subject to the requirements of ODI Approvals, or (c) is an individual who is not a "domestic resident" as defined in Circular 37 or any entity wholly owned by such individual(s); and

(iii) the mutual agreement has been reached by the Company and the Warrant Holder, and upon the completion of the transactions thereunder, the original Warrant Holder shall no longer hold any equity interests of the Domestic Company (if applicable).

In the event of any attempt by the Warrant Holder to alienate, assign, pledge, hypothecate, or otherwise dispose of this Warrant or of any right hereunder or in the event of the levy of any attachment, execution, or similar process upon the rights or interest hereby conferred and such alienate, assign, pledge, hypothecate, or dispose of this Warrant or of any right hereunder default the rules as stipulated in this Section 4, the Company at its election may terminate this Warrant by notice to the Warrant Holder and this Warrant shall thereupon be null and void.

5. **No Partial Exercise.**

This Warrant shall only be exercised in full. Partial Exercise is not allowed**.**

6. **Notice.**

Notices to the Warrant Holder shall be sent to the address listed for such Warrant Holder on the books of the Company (or at such other place as the Warrant Holder shall notify the

Company in writing). Notices to the Company shall be sent to the principal office of the Company (or at such other place as the Company shall notify the Warrant Holder in writing). Any notice required to be given under the terms of this Warrant shall be deemed to have been duly given or made for all purposes upon confirmation receipt that the communication was successfully sent if sent by facsimile or electronic transmission or personal delivery, three (3) business days after being sent if by prepaid express or certified mail, or one business day after being sent if by professional overnight courier service.

7. **Successors.**

This Warrant shall be binding upon and inure to the benefit of any successor or successors of the Company.

8. **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong as to matters within the scope thereof, without regard to its principles of conflicts of laws.

9. **Dispute Resolution.**

Any dispute, controversy or claim (each, a "**Dispute**") arising out of or relating to this Agreement, or the interpretation, breach, termination or validity hereof, shall first be subject to resolution through consultation of the parties to such Dispute. Such consultation shall begin within seven (7) days after one Party has delivered to the other parties involved in the Dispute a written request for such consultation. If within thirty (30) days following the commencement of such consultation the Dispute cannot be resolved, the Dispute may be submitted to arbitration at any time following such thirty (30) day period upon the request of any Party with notice to the other parties involved in the Dispute. The arbitration shall be conducted in Hong Kong under the auspices of the Hong Kong International Arbitration Centre (the "**HKIAC**") in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "**HKIAC Rules**"). There shall be three arbitrators. The complainant and the respondent to such Dispute shall each select one arbitrator within thirty (30) days after giving or receiving the demand for arbitration. Such arbitrators shall be freely selected, and the parties shall not be limited in their selection to any prescribed list. The Chairman of the HKIAC shall select the third arbitrator, who shall be qualified to practice laws in Hong Kong. If either party to the arbitration does not appoint an arbitrator who has consented to participate within thirty (30) days after selection of the first arbitrator, the relevant appointment shall be made by the Chairman of the HKIAC. The arbitration shall be conducted in Chinese and English. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 9, including concerning the appointment of the arbitrators, the provisions of this Section 9 shall prevail. The decision of the arbitration tribunal shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitration tribunal's decision in any court having jurisdiction. The parties to the arbitration shall each pay an equal share of the costs and expenses of such arbitration, and each party shall separately pay for its respective counsel fees and expenses; provided, however, that the prevailing party in any such arbitration shall be entitled to recover from the non-prevailing party its reasonable costs and attorney fees. The parties acknowledge and agree that, in addition

to contract damages, the arbitrators may award provisional and final equitable relief, including injunctions, specific performance, and lost profits.

10. **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile or emailed copies of signed signature pages will be deemed to be binding originals for purposes of the effectiveness of this Agreement.

11. **Titles and Subtitles.**

The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement.

12. **Amendments and Waivers.**

Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Warrant Holder. Any amendment or waiver effected in accordance with this Section 12 shall be binding upon the Warrant Holder and the Company.

Without limiting the generality of the foregoing, with effect from the date of the signed, the prior Warrant Agreement are hereby amended and superseded in its entirety and restated in this Warrant Agreement as of the date of this Agreement.

13. **Severability.**

If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

14. **Effectiveness and Validity.**

This Agreement shall become immediately effective and binding to all parties upon full execution by all parties. The Warrant Holder acknowledges that in the event that the parties enter into certain agreements, contracts or other legal documents for purpose of obtaining the ODI Approvals (the "**ODI Application Documents**"), it shall not require to purchase such a number of preference shares of the Company in accordance with such ODI Application Documents.

-- REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK --

IN WITNESS WHEREOF, the Company and the Warrant Holder hereto have caused this Warrant to be executed by an officer thereunto duly authorized.

Company:

For and on behalf of

Baijiayun Group Ltd

By: _____
Name: Gangjiang Li(李钢江)
Title: Director

IN WITNESS WHEREOF, the Company and the Warrant Holder hereto have caused this Warrant to be executed by an officer thereunto duly authorized.

Warrant Holder:

For and on behalf of

_____

By: _____
Name:
Title:

Signature Page to Warrant Agreement
Baijiayun Group Ltd

NOTICE OF EXERCISE

To: Baijiayun Group Ltd

This constitutes notice pursuant to the terms of the attached Warrant that the undersigned elects to purchase the number of shares for the price set forth below.

SECURITIES PURCHASABLE
UNDER THE ATTACHED WARRANT: _____

NUMBER OF SHARES
AS TO WHICH IS EXERCISED: _____

TOTAL EXERCISE PRICE: _____

CASH PAYMENT
REQUIRED OR ENCLOSED: _____

CERTIFICATES
TO BE ISSUED IN NAME OF: _____

The undersigned, by this notice of exercise, hereby represents and warrants that the undersigned is acquiring such shares for its own account for investment purposes only, and not for resale or with a view to distribution of such shares or any part thereof.

Date of Exercise: _____

WARRANT HOLDER:

_____

Name _____
Title _____
Address _____

Exhibit 4.3.1

Schedule to Form of Warrants dated December 23, 2022

Baijiayun Group Ltd

Name of Warrant Holders	**Warrant Shares**
BSH Wining Limited	3,342,478
GP Hitech Holdings Limited	3,242,647
Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (limited partnership)	3,011,016
GP Venture Capital Limited	1,985,285
Guiyang Fuwu Waibao and Hujiao Chanye Chuangye Investment Fund Co., Ltd.	1,849,047
Beijing Guoke Dingzhi Equity Investment Center (limited partnership)	1,323,511
SMCD Limited	1,254,044
QF Capital Limited	878,332
QF Group Limited	780,726
Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (limited partnership)	297,793

Exhibit 4.4

FORM OF DIRECTOR AGREEMENT

THIS [INDEPENDENT] DIRECTOR AGREEMENT (this "Agreement"), dated as of _ (the "Effective Date"), is by and between **Baijiayun Group Ltd**, a company incorporated under the laws of the Cayman Islands (the "Company"), and _____, an individual (the "Director").

RECITALS

WHEREAS, the Company desires to appoint the Director to serve on the Company's board of directors (the "Board") and the Director desires to accept such appointment to serve on the Board; and

WHEREAS, the Director may be appointed to serve as a member or chair of one or more committees of the Board.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the Director's services to the Company as a member of the Board, as a member of such committees of the Board to which the Director may be appointed from time to time and as chair of one or more committees to which the Director may be appointed in such capacity from time to time, and intending to be legally bound hereby, the Company and the Director hereby agree as follows:

1. **Term.** The Company hereby appoints the Director, and the Director hereby accepts such appointment by the Company, for the purposes and upon the terms and conditions contained in this Agreement. The term of such appointment shall commence on _____ (the "Commencement Date") and shall expire upon the Director's death, disqualification, resignation or removal from office pursuant to the terms of this Agreement, the Company's then current Memorandum and Articles of Association, as may be amended from time to time, or any applicable laws, rules, or regulations (the "Expiration Date"). In the event that the Director's successor has not been duly elected or appointed as of the Expiration Date, the Director agrees to continue to serve hereunder until such successor has been duly elected or appointed and qualified.

2. **Compensation**. In exchange for the Director's service as (a) a member of the Board, (b) a member of each committee of the Board to which the Director may be appointed, and (c) chair of each committee of the Board to which the Director may be appointed, the Company agrees to compensate the Director, and the Director agrees to accept the compensation as determined by the Board from time to time (the "Compensation"), subject to the terms herein. In the event that the Director serves less than twelve consecutive months as a member of the Board, the Company shall only be obligated to pay the pro rata portion of the Compensation to the Director for services performed during such year.

3.[**Independence.** The Director acknowledges that appointment to the Board is contingent upon the Board's determination that the Director is "independent" with respect to the Company, as such term is defined by Rule 5605 of the Nasdaq Stock Market's Listing Rules, and any other applicable rules, and that the Director may be removed from the Board in the event that the Director does not maintain such independence. The Director acknowledges and agrees that the acceptance, directly or indirectly, of any consulting, advisory, or other compensatory fee, other than for Board service, from the Company or any subsidiary thereof will impair the Director's independence, and the Director agrees not to accept any such fees.]

4. **Duties.** The Director shall exercise all powers in good faith and in the best interests of the Company, including but not limited to, the following:

(a) Conflicts of Interest/Applicable Law. In the event that the Director has a direct or indirect financial or personal interest in a contract or transaction to which the Company is a party, or the Director is contemplating entering into a transaction that involves use of corporate assets or competition against the Company, the Director shall promptly disclose such potential conflict to the applicable Board committee or the Board and proceed as directed by such committee or the Board, as applicable. The Director acknowledges the duty of loyalty and the duty of care owed to the Company pursuant to applicable law and agrees to act in all cases in accordance with applicable law.

(b) Corporate Opportunities. Whenever the Director becomes aware of a business opportunity related to the Company's business, which one could reasonably expect the Director to make available to the Company, the Director shall promptly disclose such opportunity to the applicable Board committee or the Board and proceed as directed by such committee or the Board, as applicable.

(c) Confidentiality. The Director agrees and acknowledges that, by reason of the nature of the Director's duties on the Board, the Director will have or may have access to and become informed of proprietary, confidential and secret information which is a competitive asset of the Company ("Confidential Information"), including, without limitation, any lists of customers or suppliers, distributors, financial statistics, research data or any other statistics and plans or operation plans or other trade secrets of the Company and any of the foregoing which belong to any person or company but to which the Director has had access by reason of the Director's relationship with the Company. The term "Confidential Information" shall not include information which: (i) is or becomes generally available to the public other than as a result of a disclosure by the Director or the Director's representatives; or (ii) is required to be disclosed by the Director due to governmental regulatory or judicial process. The Director agrees faithfully to keep in strict confidence, and not, either directly or indirectly, to make known, divulge, reveal, furnish, make available or use (except for use in the regular course of employment duties) any such Confidential Information. The Director acknowledges that all manuals, instruction books, price lists, information and records and other information and aids relating to the Company's business, and any and all other documents containing Confidential Information furnished to the Director by the Company or otherwise acquired or developed by the Director, shall at all times be the property of the Company. Upon termination of the Director's services hereunder, the Director shall return to the Company any such property or documents which are in the Director's possession, custody or control, but this obligation of confidentiality shall survive such termination until and unless any such Confidential Information shall have become, through no fault of the Director, generally known to the public. The obligations of the Director under this subsection are in addition to, and not in limitation or preemption of, all other obligations of confidentiality which the Director may have to the Company under general legal or equitable principles.

(d) Code of Business Conduct and Ethics. The Director agrees to abide by and follow all such procedures set forth in the Company's code of business conduct and ethics, as may be in existence now or at any time during the term of this Agreement, and any other policy, code or document governing the conduct of directors of the Company as may be in existence now or at any time during the term of this Agreement.

5. **Expenses**. Upon submission of adequate documentation by the Director to the Company, the Director shall be reimbursed for all reasonable expenses incurred in connection with the Director's positions as a member of the Board and for services as a member of each committee of the Board to which the Director may be appointed.

6. **[Reserved]**

7. **Withholding**. The Director agrees to cooperate with the Company to take all steps necessary or appropriate for the withholding of taxes by the Company required under law or regulation in connection herewith, and the Company may act unilaterally in order to comply with such laws.

8. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.

9. **Recitals**. The recitals to this Agreement are true and correct and are incorporated herein, in their entirety, by this reference.

10. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

11. **Headings and Captions**. The titles and captions of paragraphs and subparagraphs contained in this Agreement are provided for convenience of reference only, and shall not be considered terms or conditions of this Agreement.

12. **Neutral Construction**. Neither party hereto may rely on any drafts of this Agreement in any interpretation of the Agreement. Both parties to this Agreement have reviewed this Agreement and have participated in its drafting and, accordingly, neither party shall attempt to invoke the normal rule of construction to the effect that ambiguities are to be resolved against the drafting party in any interpretation of this Agreement.

13. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together will constitute one and the same instrument.

14. **Miscellaneous**. This Agreement shall be construed under the laws of the State of New York, without application to the principles of conflicts of laws. This Agreement constitutes the entire understanding between the parties with respect to the Director's service on the Board and there are no prior or contemporaneous written or oral agreements, understandings, or representations, express or implied, directly or indirectly related to this Agreement that are not set forth or referenced herein. This Agreement supersedes all negotiations, preliminary agreements, and all prior and contemporaneous discussions and understandings of the parties hereto and/or their affiliates with respect to the Director's service on the Board. The Director acknowledges that he has not relied on any prior or contemporaneous discussions or understanding in entering into this Agreement. The terms and provisions of this Agreement may be altered, amended or discharged only by the signed written agreement of the parties hereto.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties hereto have executed this [Independent] Director Agreement as of the Effective Date.

Baijiayun Group Ltd

By:
Name:
Title:

DIRECTOR

Name:

Exhibit 4.5

FORM OF EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "**Agreement**") is entered into as of _____, by and between Baijiayun Group Ltd (the "**Company**"), an exempted company duly incorporated and validly existing under the law of the Cayman Islands, and _____ ([Passport/ID] Number _____), an individual (the "**Executive**"). The term "Company" as used herein with respect to all obligations of the Executive hereunder shall be deemed to include the Company and all of its direct or indirect parent companies, subsidiaries, affiliates, or subsidiaries or affiliates of its parent companies (collectively, the "**Group**").

RECITALS

A. The Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below).

B. The Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of this Agreement.

AGREEMENT

The parties hereto agree as follows:

1. POSITION

The Executive hereby accepts a position of _____ (the "**Employment**") of the Company.

2. TERM

Subject to the terms and conditions of this Agreement, the initial term of the Employment shall be _____ years, commencing on _____ (the "**Effective Date**"), until _____, unless terminated earlier pursuant to the terms of this Agreement. Upon expiration of the initial_____-year term, the Employment shall be automatically extended for successive one-year terms unless either party gives the other party hereto a prior written notice to terminate the Employment prior to the expiration of such one-year term or unless terminated earlier pursuant to the terms of this Agreement.

3. DUTIES AND RESPONSIBILITIES

The Executive's duties at the Company will include all jobs assigned by the Company's Chief Executive Officer. If the Executive is the Chief Executive Officer of the Company, the Executive's duties will include all jobs assigned by the Board of Directors of the Company (the "**Board**").
The Executive shall devote all of his/her working time, attention and skills to the performance of his/her duties at the Company and shall faithfully and diligently serve the Company in accordance with this Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

The Executive shall use his/her best efforts to perform his/her duties hereunder. The Executive shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and any subsidiary or affiliate of the Company, and shall not be concerned or interested in the business or entity that competes with that carried on by the Company (any such business or entity, a "**Competitor**"), provided that nothing in this clause shall preclude the Executive from holding any shares or other securities of any Competitor that is listed on any securities exchange or recognized securities market anywhere. The Executive shall notify the Company in writing of his/her interest in

such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

4. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or otherwise bound, except for agreements that are required to be entered into by and between the Executive and any member of the Group pursuant to applicable law of the jurisdiction where the Executive is based, if any; (ii) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other person or entity which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his/her duties hereunder; and (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement (other than this) with any other person or entity except for other member(s) of the Group, as the case may be.

5. LOCATION

The Executive will be based in _____, China or any other location as requested by the Company during the term of this Agreement.

6. COMPENSATION AND BENEFITS

a) **Cash Compensation.** The Executive's cash compensation (inclusive of the statutory welfare reserves that the Company is required to set aside for the Executive under applicable law) shall be provided by the Company pursuant to Schedule A hereto, subject to annual review and adjustment by the Company or the compensation committee of the Board (or the Board itself, before the formation of the compensation committee).

b) **Equity Incentives.** To the extent the Company adopts and maintains a share incentive plan, the Executive will be eligible for participating in such plan pursuant to the terms thereof as determined by the Company.

c) **Benefits.** The Executive is eligible for participation in any standard employee benefit plan of the Company that currently exists or may be adopted by the Company in the future, including, but not limited to, any retirement plan, and travel/holiday policy.

7. TERMINATION OF THE AGREEMENT

a) **By the Company.** The Company may terminate the Employment for cause, at any time, without advance notice or remuneration, if (i) the Executive is convicted or pleads guilty to a felony or to an act of fraud, misappropriation or embezzlement, (ii) the Executive has been negligent or acted dishonestly to the detriment of the Company, (iii) the Executive has engaged in actions amounting to misconduct or failed to perform his/her duties hereunder and such failure continues after the Executive is afforded a reasonable opportunity to cure such failure, (iv) the Executive has died, or (v) the Executive has a disability which shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period would apply.

In addition, the Company may terminate the Employment without cause, at any time, upon one-month prior written notice to the Executive. Upon termination without cause, the Company shall

provide the Executive with a severance payment in cash in an amount equal to the Executive's 3-month salary at the then current rate. Under such circumstance, the Executive agrees not to make any further claims for compensation for loss of office, accrued remuneration, fees, wrongful dismissal or any other claim whatsoever against the Company or its subsidiaries or the respective officers or employees of any of them**.**

b) **By the Executive.** If there is a material and substantial reduction in the Executive's existing authority and responsibilities, the Executive may resign upon one-month prior written notice to the Company. In addition, the Executive may resign prior to the expiration of the Agreement if such resignation is approved by the Board or an alternative arrangement with respect to the Employment is agreed to by the Board.

c) **Notice of Termination.** Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

8. CONFIDENTIALITY AND NONDISCLOSURE

a) **Confidentiality and Non-disclosure.** In the course of the Executive's services, the Executive may have access to the Company and/or the Company's customer/supplier's and/or prospective customer/supplier's trade secrets and confidential information, including but not limited to those embodied in memoranda, manuals, letters or other documents, computer disks, tapes or other information storage devices, hardware, or other media or vehicles, pertaining to the Company and/or the Company's customer/supplier's and/or prospective customer/supplier's business. All such trade secrets and confidential information are considered confidential. All materials containing any such trade secret and confidential information are the property of the Company and/or the Company's customer/supplier and/or prospective customer/supplier, and shall be returned to the Company and/or the Company's customer/supplier and/or prospective customer/supplier upon expiration or earlier termination of this Agreement. The Executive shall not directly or indirectly disclose or use any such trade secret or confidential information, except as required in the performance of the Executive's duties in connection with the Employment, or pursuant to applicable law.

b) **Trade Secrets.** During and after the Employment, the Executive shall hold the Trade Secrets in strict confidence; the Executive shall not disclose these Trade Secrets to anyone except other employees of the Company who have a need to know the Trade Secrets in connection with the Company's business. The Executive shall not use the Trade Secrets other than for the benefits of the Company.

"Trade Secrets" means information deemed confidential by the Company, treated by the Company or which the Executive know or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, conceptions, technology, technical data, financial information, corporate structure and know-how, relating to the business and affairs of the Company and its subsidiaries, affiliates and business associates, whether embodied in memoranda, manuals, letters or other documents, computer disks, tapes or other information storage devices, hardware, or other media or vehicles. Trade Secrets do not include information generally known or released to public domain through no fault of yours.

c) **Former Employer Information.** The Executive agrees that he or she has not and will not, during the term of his/her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information

belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.

d) **Third Party Information.** The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Executive's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Company's agreement with such third party.

This Section 8 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. INVENTIONS

a) **Inventions Retained and Licensed.** The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "**Prior Inventions**"), (ii) relate to the Company' actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

b) **Disclosure and Assignment of Inventions.** The Executive understands that the Company engages in research and development and other activities in connection with its business and that, as an essential part of the Employment, the Executive is expected to make new contributions to and create inventions of value for the Company.

From and after the Effective Date, the Executive shall disclose in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets (collectively, the "**Inventions**"), which the Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of the Executive's Employment at the Company. The Executive acknowledges that copyrightable works prepared by the Executive within the scope of and during the period of the Executive's Employment with the Company are "works for hire" and that the Company will be considered the author thereof. The Executive agrees that all the Inventions shall be the sole and exclusive property of the Company and the Executive hereby assign all his/her right, title and interest in and to any and all of the Inventions to the Company or its successor in interest without further consideration.

c) **Patent and Copyright Registration.** The Executive agrees to assist the Company in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights, and other legal protection for the Inventions. The Executive will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. The Executive's obligations under this paragraph will continue beyond the termination of the Employment with the Company, provided that the Company will reasonably compensate the Executive after such termination for time or expenses actually spent by the Executive at the Company's request on such assistance. The Executive appoints the Secretary of the Company as the Executive's attorney-in-fact to execute documents on the Executive's behalf for this purpose.

d) **Return of Confidential Material.** In the event of the Executive's termination of employment with the Company for any reason whatsoever, Executive agrees promptly to surrender and deliver to the Company all records, materials, equipment, drawings, documents and data of any nature pertaining to any confidential information or to his/her employment, and Executive will not retain or take with him or her any tangible materials or electronically stored data, containing or pertaining to any confidential information that Executive may produce, acquire or obtain access to during the course of his/her employment.

This Section 9 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. CONFLICTING EMPLOYMENT.

The Executive hereby agrees that, during the term of his/her employment with the Company, he will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of the Executive's employment, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. NON-COMPETITION AND NON-SOLICITATION

In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the term of the Employment and for a period of *two* years following the termination of the Employment for whatever reason:

a) The Executive will not approach clients, customers or contacts of the Company or other persons or entities introduced to the Executive in the Executive's capacity as a representative of the Company for the purposes of doing business with such persons or entities which will harm the business relationship between the Company and such persons and/or entities;

b) unless expressly consented to by the Company, the Executive will not assume employment with or provide services as a director or otherwise for any Competitor, or engage, whether as principal, partner, licensor or otherwise, in any Competitor; and

c) unless expressly consented to by the Company, the Executive will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at or after the date of such termination, or in the year preceding such termination.

The provisions contained in Section 11 are considered reasonable by the Executive and the Company. In the event that any such provisions should be found to be void under applicable laws but would be

valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.
This Section 11 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 11, the Executive acknowledges that there will be no adequate remedy at law, and the Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate). In any event, the Company shall have right to seek all remedies permissible under applicable law.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. ASSIGNMENT

This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided, however, that (i) the Company may assign or transfer this Agreement or any rights or obligations hereunder to any member of the Group without such consent, and (ii) in the event of a merger, consolidation, or transfer or sale of all or substantially all of the assets of the company with or to any other individual(s) or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder.

14. SEVERABILITY

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement. Any amendment to this Agreement must be in writing and signed by the Executive and the Company.

16. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of the State of New York, USA, without regard to the conflicts of law principles.

17. AMENDMENT

This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that this Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[Remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

Baijiayun Group Ltd
By: _____
Name:
Title:

Executive
Signature: _____
Name:

Schedule A
Cash Compensation

	Amount	Pay Period
Base Salary		
Cash Bonus		

Schedule B
List of Prior Inventions

Title	Date	Identifying Number or Brief Description
No inventions or improvements		
Additional Sheets Attached		
Signature of Executive:		
Print Name of Executive:		
Date:		

Exhibit 4.6

Exclusive Technical and Consulting Services Agreement

Exclusive Technical and Consulting Services Agreement (this "Agreement") is entered into as of the day of January 2, 2023, in Beijing, People's Republic of China ("PRC"), by and between

Party A: **Zhejiang Baijiashilian Technology Co., Ltd.**
Address: Room 106- 10, Building 1, No.611, Yunxiu South Road, Wu Yang Street, Deqing County, Huzhou City, Zhejiang Province (Moganshan National High-tech Zone)

Party B: **BaiJiaYun Group Co., Ltd.**
Address: Room 2280, Building 2C, Zhongguancun Software Park Incubator, Haidian District, Beijing

Each of Party A and Party B shall hereinafter be referred to as a "Party" and collectively as the "Parties".

Whereas.

1. Party A is a wholly foreign-owned enterprise established in China with the necessary resources to provide technical and consulting services.

2. Party B is an enterprise established in the PRC and is legally authorized by the relevant PRC government authorities to engage in the business contained in its business license. All business activities operated and developed by Party B now and at any time during the term of this Agreement are hereinafter collectively referred to as the "Principal Business".

3. Party A agrees to use its technical, personnel and information advantages to provide Party B with exclusive technical support, consultation and other services relating to its principal business during the term of this Agreement, and Party B agrees to accept various services provided by Party A or its designee in accordance with the terms of this Agreement.

Accordingly, Party A and Party B, by consensus, agree as follows.

1. **Service Delivery**

1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoint Party A as exclusive service provider to provide Party B with a full range of technical support, consulting services and other services during the term of this Agreement, including but not limited to the following.

(1) License Party B to use the relevant software and database for which Party A has legal rights.

(2) Development, maintenance and updating of relevant application

software required for Party B's business.

(3) Design, installation and daily management, maintenance and updating of computer network systems, hardware equipment and databases.

(4) Technical guidance and professional training for relevant personnel of Party B.

(5) To provide Party B with consultation, collection and research of relevant technical and market information (except for market research prohibited by Chinese law for foreign-invested enterprises) and related research and analysis.

(6) Providing Party B with operational, business, business planning and strategic planning consulting.

(7) Providing Party B with market research and planning services, market development services, and marketing consulting services.

(8) Providing customer order management and customer service for Party B.

(9) Equipment, assets for rent; and

(10) Other related services provided from time to time at the request of Party B, as permitted by the laws of China.

1.2 Party B irrevocably agrees to accept the services provided by Party A and further agree that, except with Party A prior written consent, Party B shall not, during the term of this Agreement, obtain from any third party, directly or indirectly, any services identical or similar to this Agreement and shall not enter into any similar partnership with any third party in relation to the matters described in this Agreement, in respect of the services or other matters agreed herein. The Parties agree that Party A may designate other parties, including Affiliates (such designated parties may enter into certain agreements with Party B as described in Section 1.3 of this Agreement), to provide the Services to Party B as agreed in this Agreement.

1.3 How the service is provided

1.3.1 Party A and Party B agree that during the term of this Agreement, as the case may be, Party B shall further enter into service agreements with Party A or other parties designated by Party A to agree on the specific content, manner, personnel and charges of each service.

1.3.2 In order to fulfill this Agreement better, Party A and Party B agree that, as the case may be, Party B shall sign rental agreements for equipment and assets with Party A or other

parties designated by Party A at any time during the term of this Agreement in accordance with the needs of business progress, and Party A shall provide the relevant equipment and assets to Party B for use.

1.3.3 Party B hereby grants to Party A an irrevocable and exclusive right to purchase, pursuant to which Party A may, at Party A's option, purchase any part or all of the assets and business from Party B for the lowest price permitted by the laws and regulations of the PRC. The parties will then enter into a separate asset or business transfer contract to agree on the terms and conditions of such asset transfer.

1.3.4 The service fees payable by Party B to Party A under this Agreement are secured by a pledge from shareholders Party B o us of their equity interests Party B. To ensure that Party B meets the cash flow requirements in its day-to-day operations and/or to offset any losses incurred in the course of its operations, Party A may provide financial support to Party B (only to the extent permitted by PRC law) whether or not Party B actually incurs any such operating losses. Party A may provide financial support to Party B by way of Bank entrusted loans or borrowings and shall sign a separate contract for such entrusted loans or borrowings. Party A shall have the right to reserve its right to repayment in the event that Party B is unable to repay.

1.3.5 In order to ensure Party B's performance of this Agreement, subject to compliance with applicable laws, Party B agrees to pledge/ mortgage its accounts receivable in operation and all assets of the Company to Party A as security upon Party A's request. Party B, Party B's shareholders and other related parties shall, upon Party A's request, sign other agreements (including but not limited to pledge of accounts receivable or registered pledge agreement of accounts receivable, etc.), and go through the registration procedures involved in the aforesaid guarantee.

2. **Prices and payment methods for services**

2.1 Subject to the provisions of Chinese law, Party A shall be entitled to determine the amount of the Service Fee based on the specific circumstances of its provision of technical advice and services to Party B and/or its subordinate entities (if any), with reference to Party A's contribution to Party B, Party B's operating conditions and Party B's development needs. The calculation and payment of the Service Fee is set out in Annex 1 to this Agreement.

2.2 If Party A determines at its sole discretion that the calculation of the Service Fee is no longer applicable during the term of this Agreement, Party A shall have the right to adjust the Service Fee at any time upon ten (10) days prior written notice to Party B.

2.3 Within three months after the end of each calendar year, Party B shall provide Party A with audited financial statements for the current financial year, which shall be audited and certified by an independent certified public accountant approved by us. You shall prepare financial statements that meet our requirements in accordance with the requirements of law and business practice.

2.4 Within fifteen (15) business days after Party A has confirmed the financial statements provided by Party B in accordance with Clause 2.3 and determined the Service Fee in accordance with the principles in Clause 2. 1 and notified Party B in writing, Party B shall pay the Service Fee determined in accordance with this Clause to the bank account number designated by Party A in one lump sum. If Party A changes its bank account number, it shall give Party B seven (7) working days' prior written notice.

3. **Intellectual property and confidentiality provisions**

3.1 Party A shall have exclusive and exclusive ownership, rights ,interests in any and all intellectual property rights (including but not limited to copyrights, patents, patent application rights, software, technical secrets, trade secrets and others) arising or created in connection with the performance of this Agreement. Unless expressly authorized by Party A, Party B shall have no interest in any intellectual property belonging to Party A used by Party B for the purpose of providing the Services under this Agreement.

3.2 Party B shall sign all appropriate documents, take all appropriate actions, file all documents and/or applications, provide all appropriate assistance, and do all other acts deemed necessary in Party A sole discretion to vest in Party A any ownership, right, and interest in such intellectual property and/or to perfect the protection of our rights in such intellectual property.

3.3 The parties acknowledge and confirm that the existence of this Agreement, the terms hereof and any oral or written information exchanged between parties in connection with the preparation or performance of this Agreement shall be deemed confidential information. The parties shall keep all such Confidential Information confidential and shall not disclose any Confidential Information to any third party without the written consent of the other party, except for (a) any information that is or will become known to the public (provided that such disclosure is not made to the public by the party receiving the Confidential Information); (b) any information required to be disclosed pursuant to applicable laws, regulations, stock exchange rules, or governmental or court orders, provided that such disclosure shall be promptly followed by written notice of such disclosure; or (c) any information required to be disclosed by

any party to its stockholders, directors, employees, legal or financial advisors in connection with the transactions described in this Agreement, and such stockholder, director, employee, legal or financial advisor is subject to a duty of confidentiality similar to this provision. Any breach of confidentiality by any shareholder, director, employee, or hired institutions of any party shall be deemed to be a breach of confidentiality by such party and shall be subject to liability under this Agreement.

4. **Representations and warranties**

4.1 Party A represents, warrants and undertakes as follows.

4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing under the laws of the PRC; Party A or its designated service provider will obtain all governmental licenses, permits and permits required for the provision of any services under this Agreement prior to the provision of such services.

4.1.2 Party A have taken the necessary corporate actions, obtained the necessary authorizations, and obtained the consent and approval of third parties and governmental authorities (if required) to execute, deliver and perform this Agreement; and the execution, delivery and performance of this Agreement is not in violation of the express provisions of laws and regulations.

4.1.3 This Agreement constitutes a legal, valid, binding and enforceable obligation upon Party A in accordance with the terms of this Agreement.

4.2 Party B represents, warrants and undertakes as follows.

4.2.1 Party B is a legally established and validly existing enterprise in accordance with the laws of the PRC, and Party B will obtain or has obtained and will maintain all governmental permits and licenses required to engage in its principal business.

4.2.2 Party B have taken the necessary corporate actions, obtained the necessary authorizations, and obtained the consent and approval of third parties and governmental authorities (if required) to execute, deliver and perform this Agreement; and the execution, delivery and performance of this Agreement does not violate the express provisions of law or regulation.

4.2.3 This Agreement constitutes a legal, valid, binding and enforceable obligation upon Party B in accordance with the terms of this Agreement.

5. **Agreement Term**

5.1 This Agreement is signed by both parties on the date indicated at the beginning of the text and shall be effective as of such date. This Agreement shall continue in effect unless expressly agreed herein or terminated by Party A in writing.

5.2 If, during the term of this Agreement, the term of operation of either party expires, such party shall promptly renew its term of operation so that this Agreement may continue in force and effect. If a party's application for renewal of the Term is not approved or agreed to by any competent authority, this Agreement shall terminate upon the expiration of such party's Term.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

6. **Applicable Law and Dispute Resolution**

6.1 The conclusion, validity, interpretation, performance, modification and termination of this Agreement and the settlement of disputes shall be governed by the laws of China..

6.2 Any dispute arising out of the interpretation and performance of this Agreement shall first be resolved by amicable negotiation between the parties hereto. If the dispute is not resolved within thirty (30) days after either party gives written notice to the other party requesting a negotiated settlement, either party may submit the dispute to the Beijing International Arbitration Center for resolution by arbitration in accordance with its arbitration rules then in effect. The arbitration shall be conducted in Beijing. The arbitral award shall be final and binding on both parties.

6.3 In the event of any dispute arising out of the interpretation and performance of this Agreement or in the event that any dispute is subject to arbitration, the Parties shall continue to exercise their respective other rights and perform their respective other obligations under this Agreement, except for the matters in dispute.

7. **Liability and compensation for breach of contract**

7.1 If Party B breach any of the agreements made under this Agreement materially, Party A shall be entitled to terminate this Agreement and/or claim damages from Party B; this Clause 7. 1 shall not prejudice any of Party A other rights under this Agreement.

7.2 Unless otherwise provided by law, Party B have no right to terminate or cancel this Agreement in any circumstances.

7.3 Party B shall indemnify and hold us harmless from any loss, damage, liability or expense incurred in connection with any action, claim or other demand against us arising out of or in connection with the services provided by Party A to Party B under this Agreement, unless such loss, damage, liability or expense arises out of Party A's gross negligence or willful misconduct.

8. **Force majeure**

8.1 If either party to this Agreement is unable to perform or cannot perform in full as a direct result of earthquake, typhoon, flood, fire, epidemic, war, strike, public health event or any other force majeure event ("Force Majeure") that could not have been foreseen and could not have been prevented or avoided by the affected party, the party affected by such Force Majeure shall not be liable for such non-performance, partial non-performance or delay in performance. The party affected by such Force Majeure shall not be liable for such non-performance or partial performance. However, such affected party shall immediately give written notice to the other party without delay and shall, within fifteen (15) days after such written notice, provide the other party with details of the Force Majeure Event explaining the reasons f for such non-performance, partial non-performance or delay in performance.

8.2 The party claiming force majeure shall not be relieved from liability for failure to perform its obligations under this Agreement if it fails to notify the other party in accordance with the foregoing provisions and to provide appropriate proof. The party affected by the force majeure shall use reasonable efforts to mitigate the consequences of such force majeure and shall resume performance of all relevant obligations as soon as possible after the termination of such force majeure. If the party affected by force majeure does not resume performance of its obligations after the reasons for the suspension of performance due to force majeure have disappeared, that party shall be liable to the other party for such performance.

8.3 In the event of force majeure, the parties shall immediately consult with each other with a view to reaching an equitable solution and shall make all reasonable efforts to minimize the consequences of such force majeure.

9. **Notification**

9.1 All notices and other communications required or given under this Agreement shall be sent by personal delivery, registered mail, postage prepaid or commercial courier service, or facsimile to the party's address below. Each notice shall also be further served by electronic

mail. The date on which such notice shall be deemed validly served shall be determined as follows.

9.1.1 If a notice is sent by personal delivery, courier service or registered post, postage prepaid, the effective date of service shall be the date of receipt or rejection at the address set for the notice.

9.1.2 If the notice is sent by fax, the effective date of delivery shall be the date of successful transmission (which shall be evidenced by the automatically generated transmission confirmation message).

9.2 For the purposes of notice, the parties' addresses are as follows.

Party A: Zhejiang Baijiashilian Technology Co., Ltd.
Address: Room 2173, 1st floor, Building 2, Beijing Zhongguancun Software Park Incubator, Northeast Wang, Haidian District, Beijing

Recipient : [*]
Tel: [*]
E-mail: [*]

Party B:. BaiJiaYun Group Co., Ltd.
Address: Room 2280, Building 2C, Zhongguancun Software Park Incubator, Haidian District, Beijing

Recipient : [*]
Tel: [*]
E-mail: [*]

9.3 Either party may change its address for receipt of notices at any time by giving notice to the other party as provided in this Article.

10. **Assignment of agreements**

10.1 Party B shall not assign its rights and obligations under this Agreement to a third party without Party A's prior written consent.

10.2 Party B hereby agree that Party A may assign our rights and obligations under this Agreement to a third party and that Party A need only give written notice to Party B when such assignment occurs and need not obtain Party B's consent to such assignment.

11. **Severability of the agreement**

If any one or more provisions of this Agreement shall be determined to be invalid, illegal or unenforceable in any respect under any law or regulation, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any respect thereby. The parties shall negotiate in good faith for the replacement of those provisions

which are invalid, illegal or unenforceable with provisions which are valid to the fullest extent permitted by law and desired by the parties, and the economic effect of such valid provisions shall be as similar as possible to the economic effect of those provisions which are invalid, illegal or unenforceable.

12. **Amendments and additions to the agreement**

The Parties may amend and supplement this Agreement by written agreement. Amendments and supplements to this Agreement signed by both parties are part of this Agreement and have the same legal effect as this Agreement.

The Parties unanimously agree and undertake that, after the execution of this Agreement, the Exclusive Technology and Consulting Service Agreement regarding BaiJiaYun Group Co., Ltd. entered into by the Parties on September 7, 2022 shall be automatically terminated and rescinded and this Agreement shall prevail in respect of the relevant exclusive technology and consulting service matters.

13. **Languages and Copies**

This Agreement is written in English, in multiple originals, each with the same legal effect, and both parties may sign a separate copy of this Agreement.

(No text below, followed by the signature page of this agreement)

IN WITNESS WHEREOF, the parties have caused the Exclusive Technology and Consulting Services Agreement to be executed by their authorized representatives on the date set forth at the beginning hereof and effective immediately.

Party A: Zhejiang Baijiashilian Technology Co., Ltd.

Signature. /s/ Ma Yi
Name: Ma Yi
Position: Legal Representative

Party B: BaiJiaYun Group Co., Ltd. (seal)

Signature. /s/ Li Gangjiang
Name: Li Gangjiang
Position: Legal Representative

Signature page of the Exclusive Technical and Consulting Services Agreement

Annex 1
Calculation and payment of service fees

1. Calculation and payment of service fees

1.1 The service fee under this Agreement is based on Party B's revenues and its corresponding operating costs, selling, administrative and other costs and expenses, and may be charged as follows.

(a) To be charged with Party B's income at a rate agreed to by Party A.

(b) a fixed royalty fee for specific software as agreed by us; and/or

(c) Other methods of payment as determined by Party A from time to time depending on the nature of the services provided.

1.2 Party A shall issue to Party B a written confirmation of the service fee, the specific amount of which shall be determined by Party A after taking into account the following factors.

(a) The technical difficulty and complexity of the services provided by Party A.

(b) The number of hours spent by Party A's employees on the service.

(c) The content and commercial value of the services provided by Party A.

(d) Benchmark prices for similar services in the market.

(e) Party B's operating conditions and Party B's development needs, including prior years' losses (if required) to be made up by Party B, necessary costs, expenses and taxes required for business operations.

2. Party A will calculate the service fee for a fixed period and will invoice Party B accordingly. Party B shall pay the Service Fee to the bank account designated by Party A within ten (10) business days after receipt of the invoice and send a copy of the payment voucher to Party A by fax or email within ten (10) business days after payment. Party A shall issue the receipt within ten (10) working days after receiving the service fee.

Exhibit 4.7

Power of Attorney

We, [], an enterprise organized and existing under the laws of China, with our registered address at [], hereby irrevocably authorize [BaiJiaYun Group Co., Ltd.] ("Baijiayun") ("My Shareholding") now and in the future held by us in Zhejiang Baijiashilian Technology Co., Ltd. ("WFOE") to exercise the following rights:

WFOE is hereby authorized to act on behalf of Company as its exclusive agent and attorney with respect to all rights and matters with respect to the My Shareholding, including without limitation to: 1) convene and attend shareholders' meetings of Baijiayun; 2) exercise all the shareholder's rights and shareholder's voting rights I am entitled to under laws of Baijiayun and the Articles of Association of Baijiayun, including, without limitation, the sale or transfer or pledge or disposition of the My Shareholding, in whole or in part; 3) nominate, elect, designate, appoint and/or remove the legal representative, directors, supervisors, the chief executive officer, the chief financial officer and other senior management members of Baijiayun on behalf of Company; 4) deal with the sale, transfer, pledge or disposition of the My Shareholding (in whole or in part), including, without limitation, execution of all necessary equity transfer documents and other documents and completion of all necessary formalities on behalf of Company; 5) sign any resolutions and meeting minutes in the name and on behalf of Company in the capacity of a shareholder of Baijiayun; and 6) approve the amendment to the Articles of Association of Company. Without the written consent of WOFE, Company shall have no right to increase or decrease the capital held by, transfer, re-pledge or otherwise dispose of or change its Shareholding.

Without limiting the generality of the powers granted hereunder, WFOE shall have the power and authority to, on behalf of Company, execute all the documents to be executed by Company as stipulated in the Exclusive Option Agreement entered into by and among Company, WFOE and Baijiayun on January 2, 2023 and the Equity Pledge Agreement entered into by and among Company, WFOE and Baijiayun on January 2, 2023 (including any modification, amendment and restatement thereto, collectively the "Transaction Documents"), and to duly perform the Transaction Documents.

All the actions associated with My Shareholding conducted by the WFOE shall be deemed as the actions of My Shareholding, and all the documents related to My Shareholding executed by the WFOE shall be deemed to be executed by My Shareholding. My Shareholding shall be acknowledged and acknowledged by me.

The WFOE is entitled to re-authorize to sub-authorize or sub-authorize its rights related to the aforesaid matters to any third party at its own discretion and without giving prior notice to or obtaining consent from My Shareholding. If required by PRC laws, the WFOE shall designate a PRC citizen to exercise the aforementioned rights.

This Power of Attorney shall be irrevocable and continuously effective and valid from the date of execution of this Power of Attorney, so long as I am the Company is a shareholder of Baijiayun.

The Company hereby acknowledges, undertakes and warrants that, upon the occurrence of any circumstance that may affect the Company's exercise of its shareholder's rights in BAIJIAYUN, any other person of the Company who has the right to claim rights or interest in the equity interest in BAIJIAYUN held by the Company

will be deemed to be a signing party to this Power of Attorney and succeed to all the rights and obligations of the Company under this Power of Attorney.

I/We undertake not to engage in any act in violation of the purposes or intentions of the Transaction Documents and this Power of Attorney, or to engage in any act or omission that may cause conflict of interests of WFOE and Baijiayun or its subsidiaries; in the event of conflict of interest, I/We shall support the legitimate rights and interests of WFOE and perform reasonable acts required by WFOE. I/We undertake that without the prior written consent of WFOE, I/We shall not directly or indirectly participate, be concerned, be engaged or own, or use any information obtained from WFOE, participate, be concerned, be engaged or own, nor hold or obtain any interests from any business that competes or may compete with the business of Baijiayun or its Affiliates.

During the term of this Power of Attorney, I/We hereby waive all the rights associated with My Shareholding, which have been authorized to WFOE through this Power of Attorney, and shall not exercise such rights by myself.

This Power of Attorney shall automatically terminate on the date when I/We no longer hold any equity interest in Baijiayun. The parties unanimously agree that the Power of Attorney authorized by the Company to Beijing BaiJia ShiLian Technology Co., Ltd. shall be automatically terminated and released after the signing of this Power of Attorney.

The execution, effectiveness, construction, performance, amendment and termination of this Power of Attorney and the resolution of disputes shall be governed by the laws of China. In the event of any dispute with respect to the construction and performance of this Power of Attorney, the Parties hereto shall first resolve the dispute through friendly negotiations. In the event the dispute fails to be resolved within thirty (30) days after any Party's request to the other Parties for resolution of the dispute through negotiations, any Party may submit the relevant dispute to Beijing International Arbitration Center for arbitration, in accordance with its arbitration rules then in effect. The arbitration shall be conducted in Beijing, and the language used in arbitration shall be Chinese. The arbitration award shall be final and binding on all Parties.

[Remainder of Page Intentionally Left Blank]

(Signature Page of the Power of Attorney)

Authorization: [] (Seal)

By:
Name: [*]
Title: [*]

Execution Page of the Power of Attorney

(Signature Page of the Power of Attorney)

Accepted:

Zhejiang Baijiashilian Technology Co., Ltd. (Seal)

By:
Name: Ma Yi
Title: Legal Representative

Acknowledged:

BaiJiaYun Group Co., Ltd. (Seal)

By:
Name: Li Gangjiang
Title: Legal Representative

Exhibit 4.7.1

Schedule to Powers of Attorney

No.	Name of Signing Parties
1	Tianjin Baijia Chengzhang Cloud Software Technology Partnership Enterprise (limited partnership)
2	Huatu Hongyang Investment Co., Ltd.
3	Beijing Guoke Dingzhi Equity Investment Center (limited partnership)
4	Guiyang Fuwu Waibao and Hujiao Chanye Chuangye Investment Fund Co., Ltd.
5	Jiaxing Chuangbo Investment Partnership Enterprise (limited partnership)
6	Jiaxing Jiechuang Investment Partnership Enterprise (limited partnership)
7	Jinhua Yijia Enterprise Management Partnership Enterprise (limited partnership)
8	MA Cuilan (ID number: 610104193905046125)
9	Nanjing Bangsheng Juyuan Investment Management Partnership Enterprise (limited partnership)
10	Nanjing Shilian Technology Co., Ltd.
11	Ningbo Xiangmu Investment Management Partnership Enterprise (limited partnership)
12	Ronghe Investment Management Co., Ltd.
13	Sanya Caixi Yihao Private Equity Investment Fund Partnership Enterprise (limited partnership)
14	Shanghai Jinpu Technology Entrepreneurship Equity Investment Fund Partnership Enterprise (limited partnership)
15	Shanghai Jinpu Lingang Intelligence Technology Equity Investment Fund Partnership Enterprise (limited partnership)
16	Shenzhen Qianhai Qinglan Boguan Entrepreneurship Investment Management Center (limited partnership)
17	Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (limited partnership)
18	Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (limited partnership)
19	Suzhou Bangsheng Yingxin Entrepreneurship Investment Enterprise (limited partnership)
20	Tianjin Baijiahao Cloud Software Technology Partnership Enterprise (limited partnership)
21	Tibet Rongshun Enterprise Management Consulting Partnership Enterprise (limited partnership)
22	Chongqing Shuimu Chengde Culture Industry Equity Investment Fund Partnership Enterprise (limited partnership)

Exhibit 4.8

Exclusive Option Agreement

This Exclusive Option Agreement (this "Agreement") is executed by and among the following Parties as of January 2, 2023, in Beijing, People's Republic of China (the "**PRC**"), by and between.

Party A. Zhejiang Baijiashilian Technology Co., Ltd., registered address: Room 106-10, Building 1, No. 611, Yunxui South Road, Deqing County, Huzhou City, Zhejiang Province (Moganshan National High-tech Zone).

Party B. [*] ("**pledgor**"), an enterprise established and existing in accordance with the laws of the PRC with the registered address of [*]; and

Party C. BaiJiaYun Group Co., Ltd., an enterprise established and existing in accordance with the laws of China, with registered address: Room 2C 2280, Building 2, Incubator, Zhongguancun Software Park, Haidian District, Beijing.

In this Agreement, each of Pledgee, Pledgor and Party C shall be referred to as a "Party" respectively, and they shall be collectively referred to as the "Parties".

Preamble

Whereas.

(A) As of the date of this Agreement, Party B is one of the shareholders of Party C, holding [*] equity interests in Party C, representing Party C's registered capital of RMB [*] million.

(B) Party A and Party C entered into an Exclusive Technical and Consulting Services Agreement dated January 2, 2023 (the "**Exclusive Technical and Consulting Services Agreement**"), pursuant to which Party C shall pay Party A a service fee for the corresponding services provided by Party A.

(C) Party A, Party B and Party C entered into the Equity Pledge Agreement dated January 2, 2023 (the "**Equity Pledge Agreement**").

(D) Party A, Party B and Party C signed a Power of Attorney on the day of January 2, 2023 (the "Power **of Attorney**").

Accordingly, the parties agree as follows.

Agreement

1. Subject Equity

1.1 Party B agrees and hereby irrevocably and exclusively grants to Party A, a right to request Party B to transfer to Party A or a third party designated by Party B ("**Designated Party**") all or part (subject to Party A's specific request) of the equity interest in Party C held by Party B ("Subject Equity Interest", including the equity interest in Party C acquired by Party B through capital increase, equity transfer or otherwise after the signing of this Agreement), in any circumstances deemed appropriate or necessary by Party A in its sole and absolute discretion and subject to the laws of the PRC ("**Designated Party").** ("**Subject Equity**", including the equity interest in Party C acquired by Party B through capital increase, equity transfer or other means after the signing of this Agreement) (the "**Equity Purchase Right**") .

1.2 Party C hereby irrevocably agrees to the granting of the Equity Purchase Right by Party B to Party A.

1.3 Party A has the right to exercise all or part of its equity purchase right to acquire all or part of the subject equity at any time, and there is no limit to the number of times the right can be exercised.

1.4 Party A shall have the right to designate any third party to acquire all or part of the Subject Equity Interest, and Party B shall not refuse and shall transfer all or part of the Subject Equity Interest to such designated party at Party A's request.

1.5 Except for the transfer of the Subject Equity Interest to Party A or the Nominated Party in accordance with this Agreement, Party B shall not transfer the Subject Equity Interest without Party A's prior written consent.

2. Subject assets

2.1 Party C agrees and hereby irrevocably and exclusively grants to Party A the right to require Party C to transfer to Party A or the Nominated Party all or part (subject to Party A's specific request) of the assets held by Party C (the "**Subject Assets") under** any circumstances deemed appropriate or necessary by Party A in its sole and absolute discretion and as permitted by PRC law ("**Asset Purchase Right**").

2.2 Party B hereby irrevocably agrees to the granting of the asset purchase right by Party C to Party A.

2.3 Party A has the right to exercise all or part of its asset purchase rights to acquire all or part of the subject assets at any time, and the number of exercises of the rights is unlimited.

2.4 Party A shall have the right to designate any third party to acquire all or part of the Subject Assets, and Party C and Party B shall not refuse and shall transfer all or part of the Subject Assets to such designated parties at Party A's request.

2.5 Except for the transfer of the Subject Assets to Party A or the Nominated Party in accordance with this Agreement, Party C and Party B shall not transfer the Subject Assets without Party A's prior written consent.

3. Procedures for exercising the right to purchase shares

3.1 If Party A decides to exercise the **Equity Purchase** Right pursuant to Clause 1.1 above, it shall give written notice to Party B and Party C, stating therein the percentage of the Subject Equity Interest to be transferred and the identity of the transferee (the "**Equity Purchase Notice**").

3.2 Party B and Party C shall provide all necessary information and documents for the registration and transfer of the said equity transfer within thirty (30) days from the date of the notice of equity purchase, and take all necessary actions and measures to complete the corresponding industrial and commercial change procedures as soon as possible, including but not limited to holding a meeting of shareholders or directors to approve such equity transfer and obtaining the consent of other shareholders to waive any pre-emptive rights in connection with the equity transfer

3.3 Party B shall execute an equity transfer agreement in the form shown in Annex I with Party A and/or each Nominated Party (as the case may be) in respect of each transfer of the Subject Equity Interest pursuant to this Agreement and the Equity Purchase Notice. However, if the content and form of the Equity Transfer Agreement are otherwise provided for under PRC law, the provisions of PRC law shall apply.

3.4 If Party A decide to exercise our right to purchase the Equity Interest pursuant to Section 1.1 above, the relevant parties shall execute all necessary contracts, agreements or documents, obtain all necessary governmental licenses and approvals, and take all necessary actions to transfer effective ownership of the Subject Equity Interest to Party A and/or the Nominated Party free and clear of any security interest, and cause Party A and/or the Nominated Party to become the Registered Owner. For purposes of this Section and this Agreement, "Security **Interest**" includes a guarantee, mortgage, third party right or interest, stock option, right to purchase, right of first refusal, title lien or other security arrangement, but does not include any security interest created by this Agreement, the Equity Pledge Agreement and the Exclusive Technology and Consulting Services Agreement.

4. Asset Purchase Right Exercise Procedures

4.1 If Party A decides to exercise its right to purchase assets pursuant to Article 2.1 above, it shall send a written notice to Party C stating therein the circumstances of the proposed transfer of the subject assets and the identity of the transferee (the "**Asset Purchase Notice**").

4.2 Party B and Party C shall, within ten (10) business days from the date of the notice of asset purchase, provide all information and documents necessary for the processing of the said asset transfer and its registration and transfer (if applicable), and take all necessary actions and measures, including but not

limited to convening a meeting of shareholders or directors to approve such asset transfer.

4.3 Party B shall cause Party C and Party A and/or each Designated Party (as the case may be) to execute an asset transfer agreement in the form shown in Annex II in respect of each transfer of the Subject Assets pursuant to this Agreement and the Asset Purchase Notice. However, if the content and form of the asset transfer agreement is otherwise provided for under PRC law, the provisions of PRC law shall apply.

4.4 The relevant parties shall execute all necessary contracts, agreements or documents, obtain all necessary governmental licenses and approvals, and take all necessary actions to transfer effective ownership of the Subject Assets to Party A and/or the Nominated Party free and clear of any security interest, and cause Party A and/or the Nominated Party to become the registered owner of the Subject Assets.

5. Transfer price

5.1 The transfer price of the subject equity shall be the lowest price permitted under PRC law at the time of the equity transfer; the transfer price of the subject asset shall be its net book value, except that if the lowest price permitted under PRC laws and administrative regulations at that time is higher than the net book value of the asset being purchased, the purchase price shall be the lowest price permitted under PRC law (the "**Transfer Price**"). If the Subject Equity and/or the Subject Assets are transferred in tranches, the amount of the corresponding Transfer Price shall be determined in proportion to the transfer of the Subject Equity and/or the Subject Assets.

5.2 The parties hereby agree that upon the exercise of the equity/asset purchase right by Party A, the entire transfer price received by Party B and/or Party C as a result shall be paid to Party A or its designated party without compensation.

6. Commitment

6.1 Commitment of Party B and Party C

Party B and Party C hereby undertake as follows.

6.1.1 It will not supplement, change or amend the constitution and internal by-laws of Party C in any form, increase or decrease the registered capital of Party C, or otherwise change the registered capital structure of Party C without the prior written consent of Party A.

6.1.2 It shall operate the business and conduct the affairs of Party C in a prudent and efficient manner, maintain the existence of Party C in accordance with sound financial and business standards and practices, and obtain and maintain all governmental permits and licenses necessary for the conduct of Party C's business.

6.1.3 not do any act and/or omission which may have any material adverse effect on the assets, business and liabilities of Party C without the prior written consent of Party A; it will not sell, transfer, mortgage, pledge or dispose of any of Party C's assets (except for the disposal of assets arising in the ordinary course of business) or legal or beneficial interests in Party C's business or income by any means as of the date of this Agreement without the prior written consent of Party A or beneficial interest in Party C's business or income, nor will it permit the creation of any other encumbrances of rights, including security interests.

6.1.4 it will not cause Party C to incur, inherit, guarantee or assume any indebtedness, other than that incurred in the ordinary course of business and not by way of borrowing, without Party A's prior written consent.

6.1.5 It shall maintain the value of Party C's assets at all times in the normal course of operating all of Party C's business and shall not take any action/inaction that may affect the condition of Party C's business and the value of its assets.

6.1.6 it will not procure Party C to enter into any material contract without Party A's prior written consent, except in the ordinary course of business.

6.1.7 it will not cause C to extend any loan or credit to any person or business without our prior written consent.

6.1.8 Party B shall provide relevant information about Party C's business operations and financial status upon Party A's request.

6.1.9 If requested by us, you shall purchase and hold insurance for Party C's assets and business from an insurance company that meets our requirements in the amount and type of insurance purchased by Party C that operates a similar business and owns similar property or assets in the same area as Party C.

6.1.10 it will not cause or permit Party C to merge or consolidate with or make an acquisition of or investment in any person or business without Party A's prior written consent.

6.1.11 Party B shall immediately notify Party A of any litigation, arbitration or administrative proceedings that occur or may occur in connection with Party C's assets, business or income.

6.1.12 It shall execute all documents and do all acts necessary or appropriate to maintain Party C's title to all of its assets, and Party B shall file all necessary or appropriate complaints or assert necessary and appropriate defenses to all claims.

6.1.13 it shall ensure that Party C will not distribute dividends, assets or any distributable benefits to Party B by any means without our prior written consent, provided that upon our written request, Party C shall immediately distribute all or part of the distributable profits to Party B

before such distribution is immediately and unconditionally paid or transferred by Party B to us or any third party designated by us.

6.1.14 If the total amount of the transfer price received by Party B in respect of its equity interest in Party C is higher than its capital contribution to Party C, or if it receives any form of profit distribution, dividend, dividend or bonus from Party C, Party B shall, subject to the laws of the PRC, waive the proceeds of the premium portion and any profit distribution, dividend, bonus or bonus, and Party A shall be entitled to such portion of the proceeds, otherwise Party B shall compensate Party A and/or any of its designated third party for any loss suffered as a result.

6.1.15 Not to engage in any business that competes with Party A or Party A's affiliates without Party A's written consent.

6.1.16 Party C shall not be dissolved or liquidated without the written consent of Party A, unless compelled to do so by Chinese law.

6.1.17 Party B shall transfer its equity interest in Party C to Party A or a nominee as soon as PRC law allows foreign investors to hold and/or invest wholly in the principal business engaged in by Party C in the PRC and the relevant PRC authorities begin to approve such business upon exercise of Party A's equity purchase right and/or asset purchase right; and

6.1.18 Upon Party A's request, it shall appoint any person designated by Party A to be an executive director or director of Party C.

6.2 Commitment regarding Party C's equity interest

Party B hereby commits to the following.

6.2.1 Party B will not sell, transfer, pledge or in any other way dispose of any legal or beneficial interest in the subject equity interest or allow any other security interest to be created over it without Party A's prior written consent, except for the pledge of the subject equity interest in accordance with the equity pledge agreement.

6.2.2 Without Party A's prior written consent, Party B shall cause the shareholders' meeting and/or board of directors' meeting of Party C to withhold approval of any legal or beneficial interest in the sale, transfer, pledge or disposition of the Subject Equity Interest in any manner, or allow the creation of any other security interest therein, except for pledges of the Subject Equity Interest in accordance with the Equity Pledge Agreement; cause the shareholders' meeting of Party C to vote in favor of the Purchased Equity Interest as provided in this Agreement transfer.

6.2.3 Without Party A's prior written consent, Party B shall cause the shareholders' meeting and/or the board of directors' meeting of Party C

to withhold approval of any merger or integration of Party C with any person, or any acquisition of or investment in any person.

6.2.4 Party B shall notify Party A immediately of any litigation, arbitration or administrative proceedings that occur or may occur in relation to the Subject Equity Interest.

6.2.5 Upon Party A's request, Party B shall, to the extent permitted by law, promptly and unconditionally cause the transfer of the Subject Equity Interest to be approved and completed as provided in this Agreement (including, but not limited to, ensuring that Party C's shareholders' meeting or directors (or executive directors) vote in favor of the transfer of the Purchased Equity Interest as provided in this Agreement and take any other action upon Party A's request).

6.2.6 To maintain your title to Party C, Party B shall execute all necessary or appropriate documents and do all necessary or appropriate acts, and Party B shall file all necessary or appropriate complaints or assert necessary and appropriate defenses to all claims.

6.2.7 When requested by Party A, Party B shall appoint any person designated by Party A to be a director and/or executive director and general manager and other senior management personnel of Party C; replace and appoint a new person designated by Party A to be a director and/or executive director and general manager and other senior management personnel of Party C at any time upon Party A's request; actively assist in all matters relating to the appointment and change of such persons, including but not limited to signing the necessary documents and assisting in registering the appointment and changes of directors and senior management personnel with the market supervision and administration authorities.

6.2.8 To the extent permitted by PRC law, if requested by Party A at any time, Party B shall immediately transfer to Party A and/or the Designated Party all or part of the equity interests owned by Party B in Party C at any time without conditions and waive its right of first refusal in respect of equity interests transferred by other shareholders to Party A or the Designated Party, and shall actively assist in all matters relating to the transfer, including but not limited to signing the necessary documents and assisting in the registration of The equity transfer shall be registered with the market supervision and administration department. In addition, Party B shall pay to Party A or the Designated Party all consideration received by it in connection with the transfer in accordance with the provisions of Article 5 of this Agreement.

6.2.9 If Party B receives any profits, dividends, divvy, stock dividend from Party C with the written consent of Party A, Party B shall, subject to compliance with the laws of the PRC, promptly gift them to Party A or any person designated by Party A.

6.2.10 Party B shall strictly comply with the provisions of this Agreement and other contracts entered into jointly or severally between Party B, Party A and Party C, perform the obligations therein, and shall not do any act/omission which may affect the validity and enforceability of the said agreements and contracts. If Party B have any rights remaining under this Agreement, or the Equity Pledge Agreement, or in respect of the Equity Interest under the Power of Attorney, Party B shall not exercise such rights except in accordance with Party A's written instructions; and

6.2.11 In the event of liquidation of Party C for any reason (including bankruptcy liquidation), all liquidation proceeds (if any) received by Party B as a result shall be promptly gifted to Party A or any person designated by Party A subject to compliance with the laws of the PRC.

7. Representations and warranties

7.1 Party B and Party C hereby represent and warrant to Party A that, as of the date of this Agreement and the date of transfer of each Subject Equity Interest.

7.1.1 It has the right to enter into this Agreement and the related Equity Transfer Agreement covering the transfer of the Subject Equity Interest and has the capacity to perform its obligations under this Agreement and any Equity Transfer Agreement. This Agreement and each of the Transfer Agreements to which it is a party, when executed, shall constitute legal, valid and binding obligations of, and be enforceable against, it in accordance with their terms.

7.1.2 it has obtained the consent and approval of third parties and governmental authorities (if required) to execute, deliver and perform this Agreement.

7.1.3 The execution and delivery of this Agreement or any Equity Transfer Agreement and the performance of any of its obligations thereunder will not: (1) result in a breach of any relevant PRC laws; (2) conflict with Party C's articles of association, internal by-laws or other organizational documents; (3) result in a breach of, or constitute a default under, any contract or document entered into by or binding on it; (4) result in a breach of any conditions of issuance and/or continued validity of any license or permit issued to it; and (5) result in the revocation, forfeiture or imposition of additional conditions on any license or permit issued to it.

7.1.4 Party B has valid and marketable ownership of the subject equity interest. That Party B has not created any security interest over the Subject Equity Interest other than the Equity Pledge Agreement.

7.1.5 Party C is a limited liability company legally established and validly existing under the laws of the PRC, Party C has legal and complete ownership of the assets used by it in its business operations, and Party C has not created any security interest in said assets.

7.1.6 Party C does not have any outstanding debts, except (1) those incurred in the ordinary course of its business, and (2) those disclosed to Party A's and agreed to by us in writing.

7.1.7 Party C complies in material respects with all PRC laws and regulations; and

7.1.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interest, the assets of Party C or in relation to Party C.

8. Breach of contract

If Party B or Party C breaches any provision of this Agreement and causes damage to Party A, Party A may give written notice to Party B or Party C requiring Party B or Party C to make good and cure its breach immediately; if Party B or Party C fails to take steps to the satisfaction of the non-breaching party to make good and cure its breach within fifteen (15) days from the date of such written notice by the non-breaching party, Party A shall have the right to at its sole discretion (1) terminate this Agreement and demand full damages from Party B or Party C (as the case may be); or (2) demand mandatory performance of Party B's or Party C's (as the case may be) obligations under this Agreement and demand full damages from Party B or Party C (as the case may be). This clause is without prejudice to any other rights of Party A under this Agreement.

9. Taxes and fees

In drafting and signing this Agreement and the Equity/Asset Transfer Agreement, and in completing the transactions contemplated by this Agreement and the Equity/Asset Transfer Agreement, Party C shall bear all transfer and registration taxes, expenses and fees levied or incurred by Party B in accordance with the laws of the PRC.

10. Confidential

The parties acknowledge that any oral or written information exchanged by the parties in connection with this Agreement is confidential information. Each party shall keep all such information confidential and shall not disclose any such information to any third party without the written consent of the other party, except (1) where such information has been or will be publicly known (but not as a result of public disclosure by the receiving party); (2) where such disclosure is required by applicable law, regulation or stock exchange requirements, provided that the other party is notified in writing immediately after such disclosure or (3) information required to be disclosed by either party to its legal counsel or financial advisor in connection with a transaction contemplated hereunder, and such legal counsel or financial advisor is subject to confidentiality obligations similar to those set forth in this paragraph. If any officer or agent retained by either party discloses Confidential Information, such party shall be deemed to have disclosed such Confidential Information and shall

be liable for breach thereof. The provisions of this paragraph shall survive the termination of this Agreement for any reason.

11. Transfer

11.1 Party B and Party C shall not assign any of their respective rights or obligations under this Agreement to any third party without Party A's prior written consent.

11.2 Party B and Party C hereby agree that Party A may, at its sole discretion, assign its rights and obligations under this Agreement by giving prior written notice to Party B and Party C of the assignment of its rights and obligations under this Agreement only without the prior consent of Party B and Party C. Upon Party A's request, Party B and Party C shall sign a supplementary agreement or an agreement with such assignee with substantially the same content as this Agreement.

11.3 Party B hereby agrees and confirms that in the event of Party B's death or becoming a person of limited capacity or incapacity (in the case of a natural person) or in the event of dissolution or liquidation, all of Party B's equity interests in Party C shall be automatically and unconditionally transferred to Party A or a person designated by Party A in accordance with the transfer price set forth in Clause 5.1, and the transfer price payable to Party B shall be dealt with in accordance with the agreement in Clause 5.1.

12. Successor

This Agreement shall be effective and binding on the parties and their respective heirs, successors and assigns.

13. Abstain from voting

The failure of either party to this Agreement to exercise its rights under this Agreement in a timely manner shall not be deemed a waiver of such rights nor shall it affect the exercise of such rights by such party in the future.

14. Full agreement and agreement modifications

14.1 This Agreement and all covenants and/or documents expressly referred to or contained in this Agreement constitute the entire agreement with respect to the subject matter hereof and supersede all prior oral agreements, contracts, understandings and communications between the parties with respect to the subject matter hereof.

14.2 Neither Party B nor Party C shall have the right to make any modification, addition, revocation, termination or cancellation of this Agreement without the prior written consent of Party A.

14.3 The attachments are a necessary part of this Agreement and have the same legal effect as the other parts of this Agreement.

15. Governing Law and Dispute Resolution

15.1 This agreement shall be construed in accordance with and governed by the laws of china.

15.2 Any dispute arising out of or in connection with this agreement shall first be settled by the parties hereto through friendly negotiations. if the dispute is not resolved within thirty (30) days after either party has given written notice to the other party requesting a negotiated settlement, then either party may submit the dispute to the beijing international arbitration center for arbitration in accordance with the arbitration rules in effect at the time of the application for arbitration. the arbitral award shall be final and binding on the parties. the place of arbitration shall be beijing and the language of arbitration shall be chinese.

15.3 In the event of any dispute arising out of the interpretation and performance of this agreement or in the event that any dispute is subject to arbitration, the parties hereto shall continue to exercise their respective other rights and perform their respective other obligations under this agreement, except for the subject matter of the dispute itself.

16. Effective date and duration

16.1 This agreement shall be executed and effective on the date set out at the beginning of this document and shall terminate on the date when all the equity interests in party C held by party B are legally transferred to party A and/or other persons designated by party A in accordance with this agreement or when party C is no longer held by party B.

16.2 This agreement shall terminate upon the legal transfer of all the equity interests in party c held by party b to party A and/or other persons designated by party A in accordance with this agreement, but this agreement shall also terminate automatically if, for any reason, party B ceases to hold equity interests in party C before then. as far as any of party b is concerned, after all the equity interests in party C held by such party have been legally transferred to party A and/or other persons designated by such party in accordance with this agreement, such party shall cease to be a party to this agreement, but this agreement shall continue to be effective for the other parties.

16.3 The parties agree and warrant that upon the completion of this Agreement, 《the Exclusive Option Agreement 》 dated September 7, 2022 between the parties in respect of BaiJiaYun Group Co., Ltd. shall be automatically terminated and discharged, and the relevant exclusive purchase right and equity transfer shall be governed by this Agreement.

17. Termination

Neither Party B nor Party C shall have the right to terminate this Agreement unless otherwise mandatorily required by the laws of the PRC. Notwithstanding the above, Party A shall have the right to terminate this Agreement at any time

at its sole discretion and without liability by giving ten (10) days prior written notice to Party B and Party C.

18. Notification

18.1 Notices or other communications by either party under this Agreement shall be in English or Chinese and may be delivered by personal delivery, registered mail, postage prepaid mail, or recognized special delivery service or sent by facsimile to the address designated by the parties concerned. Each notice shall be further served by electronic mail. The date on which a notice shall be deemed to have been actually delivered shall be determined as follows: (1) for a notice delivered by hand, service shall be deemed to have been effected on the day of hand delivery; (2) for a notice sent by letter, service shall be deemed to have been effected on the tenth (10th) day after the postmark date of postage paid airmail registered mail, whichever is applicable, or on the fourth (4th) day after delivery to Party C of the Dedicated Delivery Service; and (3) for a notice sent by email or fax, the date of successful transmission shall be considered the effective date of service (as evidenced by the automatically generated transmission confirmation message, if any).

18.2 For the purposes of notice, the parties' addresses are as follows.

Party A: Zhejiang Baijiashilian Technology Co., Ltd.
Address: Room 2173, 1st floor, Building 2, Beijing Zhongguancun Software Park Incubator, Northeast Wang, Haidian District, Beijing
Attn: [He Jiayue
Tel: [15011073305].
E-mail: [hejiayue@baijiayun. com]

Party B: [*]
Address: [*]
Recipient: [*]
Tel: [*]
E-mail: [*]

Party C: BaiJiaYun Group Co., Ltd.
Address: Room 2280, Building 2C, Zhongguancun Software Park Incubator, Haidian District, Beijing
Attn: [He Jiayue
Tel: [15011073305].
E-mail: [hejiayue@baijiayun. com]

19. DIVISIBILITY

IF ANY PROVISION HEREUNDER IS DEEMED INVALID OR UNENFORCEABLE BECAUSE IT IS INCONSISTENT WITH APPLICABLE LAW, SUCH PROVISION SHALL BE DEEMED INVALID OR UNENFORCEABLE ONLY TO THE EXTENT GOVERNED BY APPLICABLE LAW, AND THE VALIDITY, LEGALITY AND ENFORCEABILITY OF THE OTHER PROVISIONS OF THIS AGREEMENT SHALL NOT BE AFFECTED THEREBY. THE PARTIES HERETO SHALL CEASE TO PERFORM SUCH INVALID, ILLEGAL OR

UNENFORCEABLE PROVISIONS AND SHALL REVISE THEM TO THE NEAREST EXTENT THAT THEY ARE INTENDED TO BE LEGAL, VALID AND ENFORCEABLE, AND THE ECONOMIC EFFECT OF THE REVISED AND VALID PROVISIONS SHALL BE AS SIMILAR AS POSSIBLE TO THE ECONOMIC EFFECT OF THOSE INVALID, ILLEGAL OR UNENFORCEABLE PROVISIONS.

20. FURTHER ASSURANCE

20.1 The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

21. TEXT

21.1 The headings in this Agreement are for convenience only and shall not be used to interpret, explain or otherwise affect the meaning of the provisions of this Agreement.

21.2 This Agreement shall be executed by each party in three (3) originals, one for each party, all of which shall have the same legal effect. This Agreement may be signed in one or more copies.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A: **Zhejiang Baijiashilian Technology Co., Ltd. (seal)**

By: _____
Name: **Ma Yi**
Title: **Legal Representative**

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party B. [*]

By: _____
Name [*]
Title [*]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party C. **BaiJiaYun Group Co., Ltd. (seal)**

By: _____
Name: Li Gangjiang
Title: Legal Representative

Signature page of the Exclusive Option Agreement

Annex I

Equity Transfer Agreement

This Equity Transfer Agreement (the "**Agreement**") is entered into by and between.

Transferor:

Transferee: ZheJiang Baijia ShiLian Technology Co., Ltd.

The parties hereby agree on the transfer of equity as follows:

1. The transferor agrees to transfer its equity interest in Beijing Baijia ShiLianTechnology Co., Ltd [ ] to the transferee, and the transferee agrees to be transferred the said equity interest.

2. After the completion of the equity transfer, the transferor will no longer enjoy the corresponding existing shareholders' rights or assume the relevant obligations in respect of the transferred equity. The transferee shall enjoy the rights and assume the obligations of the existing shareholders of Baijiayun Group Co., Ltd.

3. In respect of any items not mentioned in this Agreement ,the paities may agree to enter into a supplemental agreement.

4. This agreement shall be effective from the date of signing by both parties.

5. This agreement is in four copies, one for each party, and the other for the purpose of business changes.

[Signature page of "Equity Transfer Agreement of BaiJiaYun Group Co., Ltd.]

Transferor:
By: _____
Date：

Signature Page of the Equity Transfer Agreement of **BaiJiaYun Group Co., Ltd.**

Signature Page of the Equity Transfer Agreement of BaiJiaYun Group Co., Ltd.

Transferee: Zhejiang Baijiashilian Technology Co., Ltd.

By: _____
Position: Legal representative
Date

Signature Page of the Equity Transfer Agreement of **BaiJiaYun Group Co., Ltd.**

Annex II

Asset Transfer Agreement

This Asset Transfer Agreement (the "**Agreement**") is entered into by and between.

Transferor: BaiJiaYun Group Co., Ltd.

Transferee: Zhejiang Baijiashilian Technology Co., Ltd.

The parties hereby agree on the transfer of assets as follows.

1. The transferor agrees to transfer the assets listed in the attached asset list to the transferee, and the transferee agrees to transfer the said assets.

2. After the transfer of assets is completed, the transferor no longer has the corresponding rights or obligations in respect of the transferred assets. The transferee shall enjoy the rights and assume the obligations of such assets.

3. Supplementary agreements may be signed by both parties for matters not covered by this contract.

4. This agreement shall be effective from the date of signing by both parties.

5. This agreement is made in four copies, one for each party, and the other for the purpose of registration of changes (if any).

Signature Page of the Asset Transfer Agreement of BaiJiaYun Group Co., Ltd.

Transferor: BaiJiaYun Group Co., Ltd. (seal)

By: _____
Position: Legal Representative
Date

Signature Page of the Asset Transfer Agreement of BaiJiaYun Group Co., Ltd.

Signature Page of the Asset Transfer Agreement of BaiJiaYun Group Co., Ltd.

Transferee: Zhejiang Baijiashilian Technology Co., Ltd.

By: _____
Position: Legal representative
Date

Signature Page of the Asset Transfer Agreement of BaiJiaYun Group Co., Ltd.

Annex: List of assets

Annex to the Equity Transfer Agreement of BaiJiaYun Group Limited

Exhibit 4.8.1

Schedule to Exclusive Option Agreements

No.	Name of Signing Parties
1	Tianjin Baijia Chengzhang Cloud Software Technology Partnership Enterprise (limited partnership)
2	Huatu Hongyang Investment Co., Ltd.
3	Beijing Guoke Dingzhi Equity Investment Center (limited partnership)
4	Guiyang Fuwu Waibao and Hujiao Chanye Chuangye Investment Fund Co., Ltd.
5	Jiaxing Chuangbo Investment Partnership Enterprise (limited partnership)
6	Jiaxing Jiechuang Investment Partnership Enterprise (limited partnership)
7	Jinhua Yijia Enterprise Management Partnership Enterprise (limited partnership)
8	MA Cuilan (ID number: 610104193905046125)
9	Nanjing Bangsheng Juyuan Investment Management Partnership Enterprise (limited partnership)
10	Nanjing Shilian Technology Co., Ltd.
11	Ningbo Xiangmu Investment Management Partnership Enterprise (limited partnership)
12	Ronghe Investment Management Co., Ltd.
13	Sanya Caixi Yihao Private Equity Investment Fund Partnership Enterprise (limited partnership)
14	Shanghai Jinpu Technology Entrepreneurship Equity Investment Fund Partnership Enterprise (limited partnership)
15	Shanghai Jinpu Lingang Intelligence Technology Equity Investment Fund Partnership Enterprise (limited partnership)
16	Shenzhen Qianhai Qinglan Boguan Entrepreneurship Investment Management Center (limited partnership)
17	Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (limited partnership)
18	Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (limited partnership)
19	Suzhou Bangsheng Yingxin Entrepreneurship Investment Enterprise (limited partnership)
20	Tianjin Baijiahao Cloud Software Technology Partnership Enterprise (limited partnership)
21	Tibet Rongshun Enterprise Management Consulting Partnership Enterprise (limited partnership)
22	Chongqing Shuimu Chengde Culture Industry Equity Investment Fund Partnership Enterprise (limited partnership)

Exhibit 4.9

Equity Interest Pledge Agreement

This **Equity Interest Pledge Agreement** (the "**Agreement**") is entered into as of the day of January 2, 2023, in Beijing, the People's Republic of China (the "**PRC**"), by and between.

This Share Pledge Agreement (the "Agreement") is entered into by the following parties in Beijing, People's Republic of China ("PRC"):

Party A: Zhejiang Baijiashilian Technology Co., Ltd. ("**Pledgee**"), a wholly foreign-owned enterprise established and existing in accordance with the laws of China, with registered address: Room 106-10, Building 1, No. 611, Yunxiu South Road, Wu Yang Street, Deqing County, Huzhou City, Zhejiang Province (Moganshan National Hi-tech Zone).

Party B: [*] (" **pledgor**"), an enterprise established and existing in accordance with the laws of the PRC with the registered address of [*]; and

Party C: BaiJiaYun Group Co., Ltd., an enterprise established and existing in accordance with the laws of China, with registered address: Room 2C 2280, Building 2, Incubator, Zhongguancun Software Park, Haidian District, Beijing.

In this Agreement, the Pledgee, the pledgor and Party C are each hereinafter referred to as **a** "**Party**" and collectively referred to as the "**Parties**".

Whereas.

1. As of the date of this Agreement, the Pledgee holds [*]% of the equity interest of Party C, representing Party C's registered capital of RMB [*]million. Party C intends to hereby confirm the rights and obligations of the Pledgee and the pledgor under this Agreement and provide the necessary assistance to register such pledge.

2. The Pledgee is a wholly foreign-owned enterprise incorporated in China. The Pledgee has entered into an Exclusive Technical and Consulting Services Agreement (as defined below) with Party C; the Pledgee has entered into an Exclusive Purchase Right Agreement (as defined below) with the Pledgee and Party C; and the Pledgee has issued a Power of Attorney (as defined below) to the Pledgee.

3. In order to secure the performance of the obligations of Party C and the pledgor under the Transaction Documents (as defined below), the pledgor provides the Pledgee with a pledge of all of the equity interests in Party C owned by the Pledgee.

In order to secure the performance of Party C's obligations under the Transaction Documents (as defined below), the parties enter into this Agreement.

1. Definition

Unless otherwise specified herein, he terms below shall have the following meanings:

1.1 Pledge Right: The security right granted by the pledgor to the Pledgee pursuant to Article 2 of this Agreement, i.e. the right of the Pledgee to be paid in priority for the discounted value of the Pledged Equity Pledged by the pledgor to the Pledgee or the price of the Pledged Equity Pledged at auction or sale.

1.2 Pledged equity interest: The equity interest in Party C currently held by the pledgor [*] represents Party C's registered capital of RMB [*] million and all equity interests in Party C to be held in the future.

1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.

1.4 Transaction Documents: means the exclusive technical and consulting services agreement dated as of January 2, 2023 between Party C and Pledgee (the "**Exclusive Technical and Consulting Services Agreement")**; the exclusive purchase right agreement dated as of January 2, 2023 between Pledgee, Party C and **pledgor** (the "Exclusive Purchase Right Agreement "); and a power of attorney dated as of January 2, 2023 (the "**Power of Attorney**") from Pledgee to Pledgee, together with any amendments, modifications and/or restatements to the foregoing documents.

1.5 Contractual Obligations: Contract Obligations: shall refer to all the obligations of Pledgor under the Exclusive Option Agreement, the Power of Attorney and this Agreement; all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement and this Agreement.

1.6 Secured Indebtedness: shall refer to all the direct, indirect and derivative losses and losses of anticipated profits, suffered by Pledgee, incurred as a result of any Event of Default under the Transaction Documents. The amount of such loss shall be calculated in accordance with the reasonable business plan and profit forecast of Pledgee, the consulting and service fees payable to Pledgee under the Exclusive Business Cooperation Agreement, damages and relevant fees, all expenses occurred in connection with enforcement by Pledgee of Pledgor's and/or Party C's Contract Obligations and etc.

1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.

1.8 Notice of Default: shall refer to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledges

2.1 Pledgor agrees to pledge all the Equity Interest as security for performance of the Contract Obligations and payment of the Secured Indebtedness under this Agreement. Party C hereby assents that Pledgor pledges the Equity Interest to the Pledgee pursuant to this Agreement.

2.2 During the term of the Pledge, Pledgee is entitled to receive dividends distributed on the Equity Interest. Pledgor may receive dividends distributed

on the Equity Interest only with prior written consent of Pledgee. Dividends received by Pledgor on Equity Interest after deduction of individual income tax paid by Pledgor shall be, as required by Pledgee, (1) deposited into an account designated and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

2.3 Pledgor may subscribe for capital increase in Party C only with prior written consent of Pledgee. Any equity interest obtained by Pledgor as a result of Pledgor's subscription of the increased registered capital of the Company shall also be deemed as Equity Interest.The Pledgor and Party C shall complete the company registration in accordance with Article 3.1 of this Agreement.

2.4 In the event that Party C is required by PRC law to be liquidated or dissolved, any interest distributed to Pledgor upon Party C's dissolution or liquidation shall, upon the request of the Pledgee, be (1) deposited into an account designate and supervised by Pledgee and used to secure the Contract Obligations and pay the Secured Indebtedness prior and in preference to make any other payment; or (2) unconditionally donated to Pledgee or any other person designated by Pledgee to the extent permitted under applicable PRC laws.

3. Pledge Term

3.1 This pledge shall take effect from the date of registration of the pledged equity interests under this Agreement with the corresponding market supervision and administration authorities, and the pledge shall continue to be valid until all contractual obligations are fulfilled and all secured debts are paid. The Pledgee and Party C shall (1) register the pledge rights under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (2) apply for registration of the pledge rights under this Agreement with the corresponding market supervision and administration department within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, if required by the market supervision and administration authorities, the Parties and other shareholders of Party C shall submit this Agreement or an equity pledge contract in the form required by the market supervision and administration authorities of Party C's location, which truly reflects the information of the pledge rights under this Agreement (hereinafter referred to as the "pledge **contract for industrial and commercial registration") to the market supervision and administration authorities for the** purpose of the industrial and commercial registration of the equity pledge. ("Business Registration Pledge Contract") to the market supervision and administration department, but all matters of the equity pledge shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary procedures in accordance with the laws and regulations of the PRC and the requirements of the relevant market

supervision and administration authorities to ensure that the pledge rights are registered as soon as possible after the application is submitted.

3.2 During the Term of Pledge, in the event Pledgor and/or Party C fails to perform the Contract Obligations or pay Secured Indebtedness, Pledgee shall have the right, but not the obligation, to exercise the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity Interest subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgor shall deliver to Pledgee's custody the capital contribution certificate for the Equity Interest and the shareholders' register containing the Pledge within one week from the execution of this Agreement. Pledgee shall have custody of such documents during the entire Term of Pledge set forth in this Agreement.

5. Representations and warranties of the Pledgor and party C

As of the execution date of this Agreement, Pledgor and Party C hereby jointly and severally represent and warrant to Pledgee that:

5.1 The Pledgor is the sole legal owner of the pledged equity.

5.2 The Pledgee shall have the right to dispose of and transfer the Pledged Equity in accordance with the provisions set forth in this Agreement.

5.3 Each of the Pledgor and Party C shall have full power, capacity and authority to enter into and deliver this Agreement and to perform its obligations hereunder. This Agreement, when executed, shall constitute the legal, valid and binding obligations of the Pledgor and Party C and shall be enforceable against them in accordance with its terms.

5.4 Except for the Pledge, Pledgor has not placed any security interest or other encumbrance on the Equity Interest.

5.5 Pledgor and Party C have obtained any and all approvals and consents from applicable government authorities and third parties (if required) for execution, delivery and performance of this Agreement.

5.6 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any default under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition for the grant and/or maintenance of any permit or approval granted to any Party; or (v) cause any permit or approval granted to any Party to be suspended, cancelled or attached with additional conditions.

6. Commitment of the Pledgor and Party C

6.1 During the term of this Agreement, the Pledgor and Party C jointly and severally undertake to the Pledgee that:

6.1.1 Except Pledgor shall not transfer the Equity Interest, place or permit the existence of any security interest or other encumbrance on the Equity Interest or any portion thereof, without the prior written consent of Pledgee, except for the performance of the Transaction Documents; Party C shall not consent to or assist in the foregoing.

6.1.2 Pledgor and Party C shall comply with the provisions of all laws and regulations applicable to the pledge of rights, and within five (5) days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities regarding the Pledge, shall present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee;

6.1.3 Pledgor and Party C shall promptly notify Pledgee of any event or notice received by Pledgor that may have an impact on the Equity Interest or any portion thereof, as well as any event or notice received by Pledgor that may have an impact on any guarantees and other obligations of Pledgor arising out of this Agreement.

6.1.4 Party C shall complete the registration procedures for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

6.2 The Pledgor agrees that the Pledgee's right of pledge acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings of the Pledgee or the Pledgee's principal or any other person.

6.3 To protect or perfect the security interest granted by this Agreement for the Contract Obligations and Secured Indebtedness, Pledgor hereby undertakes to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor also undertakes to perform and to cause other parties who have an interest in the Pledge to perform actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authority granted thereto by this Agreement, and to enter into all relevant documents regarding ownership of Equity Interest with Pledgee or designee(s) of Pledgee (natural persons/legal persons). Pledgor undertakes to provide Pledgee within a reasonable time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgor hereby undertakes to comply with and perform all guarantees, promises, agreements, representations and conditions under this Agreement.If the Pledgee fails to perform or does not fully perform its

warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgee for all losses suffered as a result.

7. Events of Default

7.1 The following are all considered events of default.

7.1.1 Pledgor's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.1.2 Party C's any breach to any obligations under the Transaction Documents and/or this Agreement.

7.2 Upon notice or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, Pledgor and Party C shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Section 7.1 has been successfully resolved to Pledgee's satisfaction within twenty (20) days after the Pledgee and /or Party C delivers a notice to the Pledgor requesting ratification of such Event of Default, Pledgee may issue a Notice of Default to Pledgor in writing at any time thereafter, demanding the Pledgor to immediately exercise the Pledge in accordance with the provisions of Section 8 of this Agreement.

8. **Exercise of pledge rights**

8.1 Pledgee shall issue a written Notice of Default to Pledgor when it exercises the Pledge.

8.2 Subject to the provisions of Section 7.3, Pledgee may exercise the right to enforce the Pledge at any time after the issuance of the Notice of Default in accordance with Section 8.1. Once Pledgee elects to enforce the Pledge, Pledgor shall cease to be entitled to any rights or interests associated with the Equity Interest.

8.3 After Pledgee issues a Notice of Default to Pledgor in accordance with Section 8.1, Pledgee may exercise any remedy measure under applicable PRC laws, the Transaction Documents and this Agreement, including but not limited to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest. The Pledgee shall not be liable for any loss incurred by its duly exercise of such rights and powers.

8.4 The proceeds from exercise of the Pledge by Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Equity Interest and to perform Contract Obligations and pay the Secured Indebtedness to the Pledgee prior and in preference to any other payment. After the payment of the aforementioned amounts, the remaining balance shall be returned to Pledgor or any other person who have rights to such balance under applicable laws or be deposited to the local notary public office where Pledgor resides,

with all expense incurred being borne by Pledgor. To the extent permitted under applicable PRC laws, Pledgor shall unconditionally donate the aforementioned proceeds to Pledgee or any other person designated by Pledgee.

8.5 The Pledgee may exercise any remedy measure available simultaneously or in any order. Pledgee may exercise the right to being paid in priority with the Equity Interest based on the monetary valuation that such Equity Interest is converted into or from the proceeds from auction or sale of the Equity Interest under this Agreement, without exercising any other remedy measure first.

8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and Pledgor or Party C shall not raise any objection to such exercise.

8.7 In the event that the Pledgee disposes of the pledge right in accordance with this Agreement, the Pledgor and Party C shall provide the necessary assistance to enable the Pledgee to realize its pledge right.

9. Liability for breach of contract

9.1 If Pledgor or Party C conducts any material breach of any term of this Agreement, Pledgee shall have right to terminate this Agreement and/or require Pledgor or Party C to indemnify all damages; this Section 9 shall not prejudice any other rights of Pledgee herein;

9.2 Pledgor or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

10. Assignment

10.1 Without Pledgee's prior written consent, Pledgor and Party C shall not have the right to assign or delegate their rights and obligations under this Agreement.

10.2 This Agreement shall be binding on Pledgor and his/her successors and permitted assigns, and shall be valid with respect to Pledgee and each of his/her successors and assigns.

10.3 At any time, Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its designee(s), in which case the assigns shall have the rights and obligations of Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

10.4 After the change of the pledgee resulting from the transfer, at the request of the pledgee, the Pledgor and/or Party C shall sign a new pledge agreement with the new pledgee with the same content as this Agreement and register it with the corresponding market supervision and administration department.

10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgor with respect to the Equity Interest pledged hereunder shall not be exercised by Pledgor except in accordance with the written instructions of Pledgee.

11 Termination

11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Indebtedness by Pledgor and Party C, the Pledgee shall, upon the request of the Pledgor, release the pledge of the Pledgor's Equity Interest under this Agreement within the earliest reasonably practicable time, and cooperate in the registration of the cancellation of the pledge with the relevant market supervision and administration authorities .

11.2 The parties agree that this Agreement and the rights and obligations hereunder shall terminate upon Party B ceasing to hold the equity interest in Party C.

11.3 The provisions of Sections 9, 13 , 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

12. Handling Fees and Other Expenses

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

13. Duty of confidentiality

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are regarded as confidential information. Each Party shall maintain confidentiality of all such confidential information, and without obtaining the written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will be in the public domain (other than through the receiving Party's unauthorized disclosure); (b) is under the obligation to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

14. Applicable Law and Dispute Resolution

14.1 The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the laws of China.

14.2 In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after either Party's request to the other Parties for resolution of the dispute through negotiations , then either party may submit the dispute in question to the Beijing International Arbitration Center for arbitration in accordance with its arbitration rules in effect at the time of the application for arbitration. The arbitral award shall be final and binding on all parties. The place of arbitration shall be Beijing and the language of arbitration shall be Chinese.

14.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

15. Notification

15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission to the address of such party set forth below. A confirmation copy of each notice shall also be sent by E-mail. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

(1) Notices given by personal delivery, by courier service or by registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

(2) If the notice is sent by e-mail or fax, the effective date of delivery shall be the date of successful transmission (which shall be evidenced by the automatically generated transmission confirmation message, if any).

15.2 For the purposes of notice, the addresses of the Parties are as follows:

Party A: Zhejiang Baijiashilian Technology Co., Ltd.
Address: Room 2173, 1st floor, Building 2, Beijing Zhongguancun Software Park Incubator, Northeast Wang, Haidian District, Beijing
Recipient: [He Jiayue]
Tel: [15011073305]

Email: [hejiayue@baijiayun. com]

Party B: [ ]
Address: [*]
Recipient: [*]
Tel: [*]
E-mail: [*]

Party C: BaiJiaYun Group Co., Ltd.
Address: Room 2280, Building 2C, Zhongguancun Software Park Incubator, Haidian District, Beijing
Recipient: [He Jiayue]
Tel: [15011073305].
E-mail: [hejiayue@baijiayun. com]

15.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

16. Severability

In the event that one or several of the provisions of this Contract are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Contract shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law and the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effective

18.1 This Agreement shall be effective from the date of formal signing by the parties until the contractual obligations are fully performed and the guaranteed obligations are fully satisfied.

18.2 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties. The amendment agreement and supplement agreement signed by the parties in relation to this Agreement are part of this Agreement and have the same legal effect as this Agreement.

18.3 The parties agree that upon the completion of this Agreement, the parties

acknowledge and warrant that the Equity Pledge Agreement dated September 7, 2022 in respect of the equity pledge of BaiJiaYun Group Co., Ltd. shall be automatically terminated and released and all related pledges shall be subject to this Agreement.

19. Languages and copies

This Agreement shall be signed by all parties to the Agreement. Ng (5) One original copy shall be signed by each party and the rest shall be used for business registration, and all originals shall have the same legal effect. This Agreement may be signed in one or more copies.

(No text below, followed by the signature page of this agreement)

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party A: **Zhejiang Baijiashilian Technology Co., Ltd. (seal)**

By: _____
Name: **Ma Yi**
Title: **Legal Representative**

Signature page of the Equity Interest Pledge Agreement

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party B: **[ ]**

By: _____
Name [*]
Title [*]

Signature page of the Equity Interest Pledge Agreement

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Interest Pledge Agreement as of the date first above written.

Party C: **BaiJiaYun Group Co., Ltd. (seal)**

By: _____
Name Li Gangjiang
Title: Legal Representative

Signature page of the Equity Interest Pledge Agreement

Attachments:

1. Exclusive Technical and Consulting Services Agreement
2. Exclusive Purchase Right Agreement
3. Power of Attorney

Attachments

Exhibit 4.9.1

Schedule to Equity Interest Pledge Agreements

No.	Name of Signing Parties
1	Tianjin Baijia Chengzhang Cloud Software Technology Partnership Enterprise (limited partnership)
2	Huatu Hongyang Investment Co., Ltd.
3	Beijing Guoke Dingzhi Equity Investment Center (limited partnership)
4	Guiyang Fuwu Waibao and Hujiao Chanye Chuangye Investment Fund Co., Ltd.
5	Jiaxing Chuangbo Investment Partnership Enterprise (limited partnership)
6	Jiaxing Jiechuang Investment Partnership Enterprise (limited partnership)
7	Jinhua Yijia Enterprise Management Partnership Enterprise (limited partnership)
8	MA Cuilan (ID number: 610104193905046125)
9	Nanjing Bangsheng Juyuan Investment Management Partnership Enterprise (limited partnership)
10	Nanjing Shilian Technology Co., Ltd.
11	Ningbo Xiangmu Investment Management Partnership Enterprise (limited partnership)
12	Ronghe Investment Management Co., Ltd.
13	Sanya Caixi Yihao Private Equity Investment Fund Partnership Enterprise (limited partnership)
14	Shanghai Jinpu Technology Entrepreneurship Equity Investment Fund Partnership Enterprise (limited partnership)
15	Shanghai Jinpu Lingang Intelligence Technology Equity Investment Fund Partnership Enterprise (limited partnership)
16	Shenzhen Qianhai Qinglan Boguan Entrepreneurship Investment Management Center (limited partnership)
17	Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (limited partnership)
18	Shenzhen Dachen Chuanghong Private Equity Investment Enterprise (limited partnership)
19	Suzhou Bangsheng Yingxin Entrepreneurship Investment Enterprise (limited partnership)
20	Tianjin Baijiahao Cloud Software Technology Partnership Enterprise (limited partnership)
21	Tibet Rongshun Enterprise Management Consulting Partnership Enterprise (limited partnership)
22	Chongqing Shuimu Chengde Culture Industry Equity Investment Fund Partnership Enterprise (limited partnership)

Dated [July 13],2021

BaJiaYun Limited

and

BaiJia Cloud Limited

and

Beijing Baijiashilian Technology Co., Ltd.

and

Gangjiang Li

and

Jia Jia Ltd.

and

Duo Duo International Limited

and

Nuan Nuan Ltd.

and

New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang)Partnership (L.P.)

SUPPLEMENTALAGREEMENT

to the Share Purchase Agreement

THIS SUPPLEMENTAL AGREEMENT(the "supplemental agreement")is made in Beijing of the People's Republic of China("PRC"or"China")dated on July 13, 2021 AMONG:

(1) BaiJiaYunLimited, a company incorporated under the laws of Cayman Islands (the **"Company"**);

(2) BaiJia Cloud Limited, a company incorporated under the Laws of Hong Kong(as defined below)and wholly owned by the Company (the"**'HK Company'**");

(3) Beijing Baijiashilian Technology Co., Ltd., a limited liability company incorporated under the Laws of the PRC(the"**'Baijiashilian'**");

(4) Gangjiang Li,a citizen of the PRC with the ID number 430124197506130012(the **"Founder'**');

(5) Jia Jia Ltd., a company incorporated under the laws of the British Virgin Islands and wholly owned by Gangjiang Li(the"**Founder Holding Company'**");

(6) Duo Duo International Limited, a company incorporated under the laws of the British Virgin Islands;

(7) Nuan Nuan Ltd.,a company incorporated under the laws of the British Virgin Islands (together with "Duo Duo International Limited", collectively the"**'Senior Management Holding Companies");**

(8) New Oriental Xingzhi Education and Cultural Industry Fund(Zhangjiagang) Partnership(L.P.), a limited partnership incorporated under the laws of the PRC (the **"New Oriental'**'orthe"**'Series CInvestor'**").

Above each a **"Paty"** 'and collectively the'**'Parties".**

WHEREAS:

A. The Parties entered into the Share Purchase Agreement in respect of BaiJiaYunLimited, dated July 13,2021(**"SPA").**

The Parties have agreed to cancel the Series C warrant schedule in the SPA.

B. The Series C Investor shall obtain its ODI Approvals on or before Closing Longstop Date.

IT IS HEREBYAGREED as follows:

INTERPRETATION

In this Supplemental Agreement, words and expressions defined in and rules of interpretation set out in the SPA shall have the same meaning and effect when used in this Supplemental Agreement except where the context requires otherwise.

EFFECTIVE DATE

The amendments to the SPA made pursuant to this Supplemental Agreement shall be effected from the date of this Supplemental Agreement.

AMENDMENTS TO THE SPA

1. Paragraph B of Recitals of the SPA shall be deleted and replaced by the following:

   "B. New Oriental has provided certain deposit in the aggregate principal amount of RMB75,000,000 to Baijiashilian (the "**Deposit**"), and will inject funds into the Cayman Islands in USD. The Deposit shall be refunded to the New Oriental directly."

2. Definition of "Closing Longstop Date" set out in Clause 1.1 of the SPA shall be deleted and replaced by the following:

   "Closing Longstop Date" means earlier of the date which is the 180th day after the signing of this Agreement or the closing date of a SPAC Transaction.

3. Definition of "Loan", "Loan Agreement" and "Series C Warrant" set out in Clause 1.1 of the SPA shall be deleted.

4. With respect to the definition of "Preferred Shares" set out in Clause 1.1 of the SPA, the Parties hereby agrees that the Preferred Shares does not include the Warrant Shares.

5. With respect to the definition of "Transaction Documents" set out in Clause 1.1 of the SPA, the parties hereby agrees that the Transaction Documents does not include the Loan Agreement or the Series C Warrant.

6. Clause 2 of the SPA shall be deleted and replaced by the following:

   "**2. Transactions.**

   2.1 Authorization.

   As of the Closing (as defined below), (i) the Company shall adopt and cause to be effective the Memorandum and Articles as its memorandum of association and articles of association, and (ii) the Company shall reclassify the share capital and reserve certain number of Series C Preferred Shares for issuance pursuant to the terms and conditions of this Agreement, which shall have the rights, preferences, privileges, and restrictions as set forth in the Memorandum and Articles and other relevant Transaction Documents of the Company and free and clear of all Liens.

   2.2 Agreement to Purchase and Sell.

   The Company shall issue and sell to the Series C Investor or its designated party, and the Series C Investor or its designated party shall purchase and pay for certain number of Series C Preferred Shares of the Company (the "Purchased Shares") as set forth opposite the Series C Investor's name in Schedule III in accordance with this Agreement.

   2.3 Certain Transactions.

   On the terms and subject to the conditions set forth in this Agreement and the Transaction Documents, as applicable:

   (i) the Company shall allot and sell to the Series C Investor or its designated party, and the Series C Investor or its designated party shall purchase from the Company, the Purchased Shares as set forth opposite the Series C Investor's name in Schedule III free and clear of all encumbrances and having the rights, privileges and restrictions set forth in

the Shareholders Agreement and the Memorandum and Articles;
(ii) the Series C Investor or its designated party shall pay the consideration as set out against its name in Schedule III for the Purchased Shares (the "Subscription Price") to the Company by wire transfer of immediately available fund within ten (10) Business Days following the receipt of the Deposit repaid by Baijiashilian to the account designated by the Company in writing at least three (3) Business Days prior to the exercise.

2.4 Closing.
(i) Closing. The consummation of the sale and purchase of the Series C Preferred Shares the ("**Closing**") shall take place remotely via the exchange of documents and signatures as soon as practicable, but in no event later than ten (10) Business Days after all closing conditions specified in Section 5 and Section 6 hereof have been satisfied (other than those conditions to be satisfied at the Closing, but subject to the satisfaction or waiver thereof at the Closing), or at such other time and place as the Company and the Series C Investor shall mutually agree in writing.

(ii) Deliveries at the Closing. At the Closing, the Company shall deliver to the Series C Investor each Transaction Document to which it is a named Party; and any other items, the delivery of which is made an express condition to the Series C Investor' obligations at the Closing pursuant to Section 5 and other Transaction Documents.

2.5 Capitalization Table Immediately After Closing.
Schedule II hereof sets forth a complete list of all outstanding shareholders of the Company immediately after the Closing, indicating the type and number of shares held by each such shareholder."

7. The second sentence of Clause 3.2 of the SPA shall be deleted and replaced with the following:

"Except for the conversion privileges of the Preferred Shares and the ESOP as provided in this Agreement and the Transaction Documents, there are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase or be issued or allotted with any of the shares of the Company or any other Group Company."

8. Clause 6.5 and Clause 6.6 of the SPA shall be deleted and replaced with the following:

"**6.5 Provision of the Deposit.** The Series C Investor shall have provided the Deposit to Baijiashilian.

6.6 ODI Approvals. The Series C Investor shall have obtained ODI Approvals."

9. Clause 8.8 of the SPA shall be deleted and replaced with the following:

"**8.8 Stamped Memorandum and Articles.** The Company shall obtain the duly stamped Memorandum and Articles and provide the scan copy of the same to the Series C Investor within fifteen (15) Business Days after the Closing."

10. With respect to Clause 8.17 of the SPA, the Parties agree that the completion of VIE restruction shall be conducted within three (3) months after the signing of the SPA.

11. Clause 8.9 of the SPA shall be deleted and the Clause 9.1 (iii) shall be added as follows:

"**9.1 Termination of Agreement**. (iii) in the event that the Series C Investor fails to obtain its ODI Approvals on or before Closing Longstop Date for reasons that are not attributable to the Group Company and/or the Founder, this Agreement may be terminated by written notice by such Group Company to such Series C Investor, at such Group Company's own election and discretion. The Closing Longstop Date may be extended upon mutual consent of the Company and the Series C Investor. The Company shall give the Series C Investor a written notice on the status of the Qualified IPO thirty (30) days prior to the Closing Longstop Date."

12. Clause 10.2 of the SPA shall be deleted and replaced with the following:

"**10.2 Tax Basis Indemnification.** The Warrantors shall cooperate with and provide all the necessary assistance to the Series C Investor required to obtain the ODI Approvals within a reasonable period of time. If the Series C Investor has not obtained the ODI Approvals before the consummation of the Qualified IPO of the Company, such Series C Investor or its designated party shall be entitled to purchase the Series C Preferred Shares at nominal price. To the extent that such Series C Investor's failure to obtain the ODI Approval is solely attributable to the Company, in the event of a sale of Shares in the Company by the Series C investor, the Company shall indemnify such Series C Investor for any shortfall between the total Exercise Price paid by the Series C Investor pursuant to the actual tax basis equal to the Subscription Price. If the amount of investment approved by the Governmental Authority to be invested in the Company (the "Approved Investment Amount") is less than the Subscription Price, the Company shall cooperate with such Series C Investor to inject the Approved Investment Amount into the Company for all the Series C Preferred Shares that such Series C Investor is entitled to purchase. To the extent that such Series C Investor's failure to obtain the ODI Approval for all the Subscription Price is solely attributable to the Company, in the event of a sale of Shares in the Company by the Series C investor, the Company shall indemnify such Series C Investor for any shortfall between the total Exercise Price paid by the Series C Investor pursuant to the actual tax basis equal to the Subscription Price."

13. Clause 10.4 of the SPA shall be deleted and replaced with the following:

"**10.4 Successors and Assigns**. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the Parties hereto whose rights or obligations hereunder are affected by such terms and conditions. This Agreement and the rights and obligations therein may not be assigned by any Warrantor without the prior written consent of the Series C Investor. Nothing in this Agreement, express or implied, is intended to confer upon any Party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The rights of the Series C Investor hereunder are assignable to any Person in connection with the transfer (subject to applicable Laws) of Equity Securities but only to the extent of such transfer, and any such transferee shall execute and deliver to the Company and the other Parties hereto a joinder agreement becoming a Party hereto as an "Series C Investor" subject to the terms and

conditions hereof."

EFFECT OF THIS SUPPLEMENTAL AGREEMENT ON THE SPA

This Supplemental Agreement shall be regarded as an integral part of the SPA after the execution of the Parties. If there is any inconsistency between this Supplementary Agreement and the SPA, this Supplementary Agreement shall prevail. The parties agree that the SPA, as amended by this Supplemental Agreement, shall remain in full force and effect in accordance with its terms.

GOVERNING LAW

The conclusion, performance and interpretation of this Supplemental Agreement shall be governed by and construed in accordance with the Laws of Hong Kong. Clause 10.6 of the SPA shall apply, mutatis mutandis, to this Agreement.

COPIES AND TRANSCRIPTS

This Supplemental Agreement is executed made in one or more counterparts, each copy shall be deemed equally authentic, and each Party shall hold one copy. Each Party has participated in negotiating and drafting this Supplementary Agreement, so if an ambiguity or a question of intent or interpretation arises, this Supplementary Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against or favor to a Party because it was responsible for drafting one or more provisions of this Supplementary Agreement.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

COMPANY:

BaiJiaYunLimited_

For and on behalf of
BaiJiaYun Limited

By:_____
Authorized Signature(s)

Name:

Title:

HK COMPANY:

BaiJia Cloud Limited

For and on behalf of
BaiJia Cloud Limited

By:_____
Authorized Signature(s)

Name:

Title:

DOMESTIC COMPANY:

Beijing Baijiashilian Technology Co., Ltd. (北京百家视联科技有限公司) (affix)

By:_____

Name: Gangjiang Li (李钢江)

Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Duo Duo International Limited

For and on behalf of
Duo Duo International Limited

By: _____
Authorized Signature

Name:

Title: Authorized Signatory

[在此处键入]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

Nuan Nuan Ltd

For and on behalf of
Nuan Nuan Ltd

By: _____

Authorized Signature(s)

Name:

Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

FOUNDER:

Gangjiang Li (李钢江)

Jia Jia Ltd.

For and on behalf of
Jia Jia Ltd

By: _____

Name: Gangjiang Li (李钢江)

Title: Director

Director's signature(s)

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SERIES C INVESTOR:

New Oriental Xingzhi Education and Cultural Industry Fund (Zhangjiagang) Partnership (L.P.)(新东方行知教育文化产业基金（张家港）合伙企业（有限合伙））

By: _____

Name:

Title: Authorized Signatory

[在此处键入]

Exhibit 8.1

List of Principal Subsidiaries and Consolidated Affiliated Entities

Name of Entity	Date of Incorporation	Place of Incorporation	% of Ownership	Principal Activities
Fuwei Films (Shandong) Co., Ltd	January 5, 2005	PRC	100	BOPET film business
Fuwei Films (BVI) Co., Ltd.	April 26, 2004	British Virgin Islands	100	Investment holding
BaiJiaYun Limited	April 22, 2021	Cayman Islands	100	Investment holding
Subsidiaries of BaiJiaYun				
BaiJia Cloud Limited	May 6, 2021	Hong Kong	100	Investment holding
Beijing Baishilian Technology Co., Ltd.	September 6, 2021	PRC	100	Investment holding
Shenzhen Baishilian Technology Co., Ltd.	October 27, 2021	PRC	100	Investment holding
Nanning Baishilian Information Technology Co., Ltd.	September 13, 2021	PRC	100	Investment holding
Nanjing Baishilian Technology Co., Ltd.	January 21, 2022	PRC	100	Investment holding
Zhejiang Baijiashilian Technology Co., Ltd.	December 28, 2022	PRC	100	Investment holding
VIE				
BaiJiaYun Group Co., Ltd	May 22, 2017	PRC	VIE	Provision of cloud computing services
VIE's Subsidiaries				
Nanjing Baijia Cloud Technology Co., Ltd.	June 13, 2018	PRC	100% owned by VIE	Provision of cloud computing services
Baijiayun Information Technology Co., Ltd.	June 18, 2019	PRC	51% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Guizhou Baijia Cloud Technology Co., Ltd.	April 8, 2019	PRC	100% owned by VIE	Provision of cloud computing services
Baijia Cloud Technology Co., Ltd.	October 12, 2019	PRC	70% owned by VIE before January 1, 2021, and 100% owned by VIE afterwards	Provision of cloud computing services
Beijing Baijiayun Digital Technology Co., Ltd. (formerly known as "Beijing Haoyu Xingchen Cultural Communication Co., Ltd.")	June 23, 2020	PRC	100% owned by VIE	Provision of cloud computing services
Xi'an Baijiayun Information Technology Co., Ltd.	January 7, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Henan Baijia Cloud Information Technology Co., Ltd.	April 13, 2021	PRC	51% owned by VIE	Provision of cloud computing services
Wuhan BaiJiaShiLian Technology Co., Ltd.	December 12, 2018	PRC	100% owned by VIE since September 15, 2021	Provision of cloud computing services
Guangxi Weifang Technology Co., Ltd.	November 3, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Shanghai BaiJiaYun Technology Co., Ltd.	October 22, 2021	PRC	100% owned by VIE	Provision of cloud computing services
Beijing Deran Technology Co., Ltd.	May 29, 2012	PRC	51% owned by VIE since March 24, 2022	Provision of cloud computing services
Nanjing BaiJiaYunPeng Technology Co., Ltd.	August 18, 2022	PRC	60% owned by VIE	Provision of cloud computing services
BaiJiaYun Technology Development (Shanxi) Co., Ltd.	January 4, 2023	PRC	100% owned by VIE	Provision of cloud computing services
Guangxi Hengsheng Information Technology Co., Ltd.	September 16, 2022	PRC	100% owned by VIE	Provision of cloud computing services
Zhuhai BaiJiaYun Technology Co., Ltd.	October 20, 2022	PRC	100% owned by VIE	Provision of cloud computing services
Guangxi Chuanghe Technology Co., Ltd.	August 30, 2022	PRC	100% owned by VIE	Provision of cloud computing services

Exhibit 11.1

BAIJIAYUN GROUP LTD

CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of Baijiayun Group Ltd, a Cayman Islands company (the "Company"), January 12, 2023, effective as of the date thereof)

INTRODUCTION

Purpose and Applicability

This Code of Business Conduct and Ethics (this "Code") contains general guidelines for conducting the business of the Company, and its subsidiaries and affiliates, consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "employee" and collectively, the "employees" or "Company employees"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a "principal financial officer," and collectively, the "principal financial officers").

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. The Board has appointed the Company's Chief Executive Officer as the Compliance Officer for the Company (the "Compliance Officer"). If you have any question or feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company's ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Compliance

Officer. You may remain anonymous and will not be required to reveal your identity in your communication to the Company.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Compliance Officer, who will work with you and your supervisor to investigate the matter. If you do not feel comfortable reporting the matter to your supervisor or you do not get a satisfactory response, you may contact the Compliance Officer directly. Employees making a report need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report in a manner that protects the confidentiality and anonymity of the employee submitting the report. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Compliance Officer and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your report.

It is the Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be disclosed to the public as required by law or the rules of the Nasdaq Stock Market.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services not in his or her capacity as a Company employee to a company that is a material customer, supplier or competitor of the Company.

- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "Gifts and Entertainment" below for additional guidelines in this area.

- Financial Interests. No employee should have a financial interest (ownership, investment or otherwise) in any company that is a customer, supplier or competitor of the Company.

- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.

- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of this Code, "family members" include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the Compliance Officer. Your supervisor and the Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his or her position with the Company for personal gain or should compete with the Company.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Compliance Officer and

the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

CONFIDENTIALITY

Confidential Information and Company Property

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its customers. Every employee has a duty to respect and safeguard the confidentiality of the Company's information and the information of our suppliers and customers, except when disclosure is authorized or legally mandated. In addition, you must refrain from using any confidential information from any previous employment if, in doing so, you could reasonably be expected to breach your duty of confidentiality to your former employers. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

Employees also have a duty to protect the Company's intellectual property and other business assets. The intellectual property, business systems and the security of the Company property are critical to the Company.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the Compliance Officer.

Safeguarding Confidential Information and Company Property

Care must be taken to safeguard and protect confidential information and Company property. Accordingly, the following measures should be adhered to:

- The Company's employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g., airplanes, trains, taxis, buses, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.

- Within the Company's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.

- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Company employee.

- The Company's employees are only to access, use and disclose confidential information that is necessary for them to have in the course of performing their duties. They are not to disclose confidential information to other employees or contractors at the Company unless it is necessary for those employees or contractors to have such confidential information in the course of their duties.

- The Company's files, personal computers, networks, software, internet access, internet browser programs, emails, voice mails and other business equipment (e.g. desks and cabinets) and resources are provided for business use and they are the exclusive property of the Company. Misuse of such Company property is not tolerated.

COMPETITION AND FAIR DEALING

All employees are obligated to deal fairly with fellow employees and with the Company's customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.

- Employees should not refuse to sell, service, or maintain products or services the Company has produced or provided simply because a customer is buying products or services from another supplier.

- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Financial Institutions

The Company is committed to dealing with financial institutions fairly, honestly and with integrity. Employees should not deliberately misrepresent information to financial institutions.

Relationships with Service Providers and Suppliers

The Company deals fairly and honestly with its service providers and suppliers. This means that our relationships with service providers and suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with service providers and suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a service provider or supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the service provider's services and prices or supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace,

including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.
- Use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of Company property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment received which is of a value of more than US$100 should be promptly reported and handed in to your supervisor. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
    - The items are of reasonable value;

- The purpose of the meeting or attendance at the event is business related; and
- The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The Foreign Corrupt Practices Act" below for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record-keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company, we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

It is essential that the Company's financial records, including all filings with the Securities and Exchange Commission (the "**SEC**") be accurate and timely. Accordingly, in addition to adhering to the conflict of interest policy and other policies and guidelines in this Code, the principal financial officers and other senior financial officers must take special care to exhibit integrity at all times and to instill this value within their organizations. In particular, these senior officers must ensure their conduct is honest and ethical that they abide by all public disclosure requirements by providing full, fair, accurate, timely and understandable disclosures, and that they comply with all other applicable laws and regulations. These financial officers must also understand and strictly comply with generally accepted accounting principles in the U.S. and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the Compliance Officer.

COMPLIANCE WITH INSIDER TRADING LAWS

The Company has an insider trading policy, which may be obtained from the Compliance Officer. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.

Company employees are prohibited from trading in shares or other securities of the Company while in possession of material, nonpublic information about the Company. In addition, Company employees are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell shares or other securities of the Company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in shares or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is "material" if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb,

any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered "material" include:

- financial results or forecasts, or any information that indicates the Company's financial results may exceed or fall short of forecasts or expectations;
- important new products or services;
- pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- possible management changes or changes of control;
- pending or contemplated public or private sales of debt or equity securities;
- acquisition or loss of a significant customer or contract;
- significant write-offs;
- initiation or settlement of significant litigation; and
- changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditor's report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company's securities should be promptly brought to the attention of the Compliance Officer.

PUBLIC COMMUNICATIONS AND PREVENTION OF SELECTIVE DISCLOSURE

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's Investor Relations Department. The Investor Relations Department will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Prevention of Selective Disclosure

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it. "Selective disclosure" occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every employee is required to follow these procedures:

- All contact by the Company with investment analysts, the press and/or members of the media shall be made through the chief executive officer, chief financial officer or persons designated by them (collectively, the "**Media Contacts**").

- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Company or its business to any investment analyst or member of the press or media.

- All inquiries from third parties, such as industry analysts or members of the media, about the Company or its business should be directed to a Media Contact. All presentations to the investment community regarding the Company will be made by us under the direction of a Media Contact.

- Other than the Media Contacts, any employee who is asked a question regarding the Company or its business by a member of the press or media shall respond with "No comment" and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Company available upon inquiries made by investors, investment analysts and members of the media.

Please contact the Compliance Officer if you have any questions about the scope or application of the Company's policies regarding selective disclosure.

THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (the "**FCPA**") prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is "routine" if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, "routine" functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Compliance Officer and must be clearly and accurately reported as a business expense.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and

safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

Environment

All Company employees should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

Health and Safety

The Company is committed not only to complying with all relevant health and safety laws, but also to conducting business in a manner that protects the safety of its employees. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the human resources department.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of our detailed policies are available from the human resources department. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer or the human resources department if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the human resources department. All complaints will be treated with sensitivity and discretion. Your supervisor, the human resources department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of

employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the human resources department immediately.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Compliance Officer. We expect all Company employees to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's principal financial officers, shall be the Company's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gangjiang Li, certify that:

1. I have reviewed this transition report on Form 20-F of Baijiayun Group Ltd;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the transition report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

January 20, 2023

By: /s/ Gangjiang Li
Name: Gangjiang Li
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yong Fang, certify that:

1. I have reviewed this transition report on Form 20-F of Baijiayun Group Ltd;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the transition report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

January 20, 2023

By: /s/ Yong Fang
Name: Yong Fang
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Transition Report of Baijiayun Group Ltd (the "Company") on Form 20-F for the transition period from July 1, 2021 to June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gangjiang Li, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

January 20, 2023

By: /s/ Gangjiang Li
Name: Gangjiang Li
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Transition Report of Baijiayun Group Ltd (the "Company") on Form 20-F for the transition period from July 1, 2021 to June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yong Fang, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

January 20, 2023

By: /s/ Yong Fang
Name: Yong Fang
Title: Chief Financial Officer

Exhibit 16.1

January 20, 2023
Securities and Exchange Commission
100 F Street N.W
Washington, DC 20549-7561

Commissioners:

We have read the statements made by Baijiayun Group Ltd. under Item 16F of its Form 20-F to be filed with the Securities and Exchange Commission on January 20, 2023. We agree with the statements concerning our Firm, we are not in a position to agree or disagree with other statements of Baijiayun Group Ltd. contained therein.

Very truly yours,

/s/ Shangdong Haoxin Certified Public Accountants Co., Ltd.

Shandong Haoxin Certified Public Accountants Co., Ltd.