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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November 2021

Commission File Number: 001-38587

Aurora Mobile Limited

**14/F, China Certification and Inspection Building
No. 8, Keji South 12th Road, Nanshan District
Shenzhen, Guangdong 518057
People's Republic of China
(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

EXHIBIT INDEX

Exhibit No.	Description
99.1	Unaudited Consolidated Interim Financial Statements
99.2	English translation of Term Loan Agreement, dated April 16, 2021, by and between Aurora Mobile Limited and Shanghai Pudong Development Bank
101.INS*	Inline XBRL Instance Document -- this instance document does not appear in the Interactive Data File because its XBRL tags are not embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Scheme Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AURORA MOBILE LIMITED

By: /s/ Shan-Nen Bong

Name: Shan-Nen Bong

Title: Chief Financial Officer

Date: November 10, 2021

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AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	As of		
		December 31, 2020	June 30, 2021	
		RMB	RMB	US\$
ASSETS				
Current assets:				
Cash and cash equivalents		356,115	102,854	15,930
Restricted cash		115	164,356	25,456
Derivative assets		100	1,905	295
Short-term investments	12	80,000	30,000	4,646
Accounts and notes receivable, net of allowances of RMB43,820 and RMB39,420 (US\$6,105) as of December 31, 2020 and June 30, 2021, respectively	3	44,886	38,140	5,907
Prepayments and other current assets	4	49,013	51,467	7,971
Total current assets		530,229	388,722	60,205
Non-current assets:				
Property and equipment, net		73,522	75,486	11,691
Intangible assets, net		9,519	7,555	1,170
Long-term investments	5	168,526	167,979	26,017
Other non-current assets		5,631	2,921	452
Total non-current assets		257,198	253,941	39,330
Total assets		787,427	642,663	99,535

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	As of		
		December 31, 2020 RMB	June 30, 2021 RMB	US\$
LIABILITIES AND SHAREHOLDERS’ EQUITY				
Current liabilities:				
Short-term bank loan		—	150,000	23,232
Accounts payable (including accounts payable of the variable interest entity (“VIE”) without recourse to the Company of RMB16,564 and RMB13,268 (US\$2,055) as of December 31, 2020 and June 30, 2021, respectively)		16,592	13,659	2,116
Deferred revenue and customer deposits (including deferred revenue and customer deposits of the VIE without recourse to the Company of RMB104,681 and RMB102,198 (US\$15,828) as of December 31, 2020 and June 30, 2021, respectively)	6	109,182	106,265	16,458
Accrued liabilities and other current liabilities (including accrued liabilities and other current liabilities of the VIE without recourse to the Company of RMB66,772 and RMB64,150 (US\$9,936) as of December 31, 2020 and June 30, 2021, respectively)	7	109,136	90,573	14,027
Convertible notes		225,229	—	—
Total current liabilities		460,139	360,497	55,833

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	As of		
		December 31,	June 30, 2021	
		2020	RMB	US\$
		RMB		
Non-current liabilities:				
Other non-current liabilities (including other non-current liabilities of the VIE without recourse to the Company of nil and RMB693 (US\$107) as of December 31, 2020 and June 30, 2021, respectively)		—	2,554	396
Deferred revenue	6	6,049	5,233	810
Total non-current liabilities		6,049	7,787	1,206
Total liabilities		466,188	368,284	57,039

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	As of		
		December 31, 2020 RMB	June 30, 2021 RMB US\$	
Commitments and contingencies	9			
Shareholders' equity				
Class A common shares (par value of US\$0.0001 per share as of December 31, 2020 and June 30, 2021; 4,920,000,000 shares authorized as of December 31, 2020 and June 30, 2021, 61,392,170 shares and 61,882,851 shares issued and outstanding as of December 31, 2020 and June 30, 2021, respectively)		37	38	6
Class B common shares (par value of US\$0.0001 per share as of December 31, 2020 and June 30, 2021; 30,000,000 shares authorized as of December 31, 2020 and June 30, 2021, 17,000,189 shares and 17,000,189 shares issued and outstanding as of December 31, 2020 and June 30, 2021, respectively)		11	11	2
Additional paid-in capital		988,812	1,010,731	156,542
Accumulated deficit		(678,434)	(747,868)	(115,830)
Accumulated other comprehensive income		10,813	11,467	1,776
Total shareholders' equity		321,239	274,379	42,496
Total liabilities and shareholders' equity		787,427	642,663	99,535

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	Six months ended June 30,		
		2020	2021	
		RMB	RMB	US\$
Revenues	11	257,018	165,609	25,650
Cost of revenues		(162,014)	(40,088)	(6,209)
Gross profit		95,004	125,521	19,441
Operating expenses				
Research and development expenses		(88,371)	(106,219)	(16,451)
Sales and marketing expenses		(51,998)	(53,904)	(8,349)
General and administrative expenses		(51,520)	(46,692)	(7,232)
Total operating expenses		(191,889)	(206,815)	(32,032)
Loss from operations		(96,885)	(81,294)	(12,591)
Foreign exchange gain/(loss)		9	(1,504)	(233)
Interest income		2,994	3,330	516
Interest expense		(5,930)	(4,978)	(771)
Other income, net		7,446	13,098	2,029
Change in fair value of structured notes		920	20	3
Change in fair value of foreign currency swap contract	13	—	1,905	295
Loss before income taxes		(91,446)	(69,423)	(10,752)
Income tax expense	8	—	(11)	(2)
Net loss		(91,446)	(69,434)	(10,754)

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

	Notes	Six months ended June 30,		
		2020	2021	
		RMB	RMB	US\$
Net loss attributable to Aurora Mobile Limited’s shareholders		(91,446)	(69,434)	(10,754)
Net loss attributable to common shareholders		(91,446)	(69,434)	(10,754)
Net loss per share for class A and class B common shares:	10			
Class A common shares - basic and diluted		(1.18)	(0.88)	(0.14)
Class B common shares - basic and diluted		(1.18)	(0.88)	(0.14)
Shares used in net loss per share computation:				
Class A common shares - basic and diluted		60,190,846	61,668,577	61,668,577
Class B common shares - basic and diluted		17,000,189	17,000,189	17,000,189
Other comprehensive (loss)/income				
Foreign currency translation adjustments		(733)	654	101
Total other comprehensive (loss)/income, net of tax		(733)	654	101
Total comprehensive loss		(92,179)	(68,780)	(10,653)
Comprehensive loss attributable to Aurora Mobile Limited		(92,179)	(68,780)	(10,653)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for number of shares and per share data)

	Common shares		Treasury shares RMB	Additional paid-in capital RMB	Accumulated other comprehensive income RMB	Accumulated deficit RMB	Total shareholders' equity RMB
	Number of shares	Amount RMB					
Balance as of January 1, 2020	77,106,226	48	(1,999)	956,735	6,363	(453,359)	507,788
Net loss	—	—	—	—	—	(91,446)	(91,446)
Translation adjustments	—	—	—	—	(733)	—	(733)
Exercise and vesting of share-based awards	294,383	—	1,999	(1,611)	—	—	388
Share-based compensation	—	—	—	16,111	—	—	16,111
Balance as of June 30, 2020	77,400,609	48	—	971,235	5,630	(544,805)	432,108

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Continued)

(Amounts in thousands of Renminbi ("RMB") and US dollars ("US\$"), except for number of shares and per share data)

	Common shares		Treasury shares	Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total shareholders' equity
	Number of shares	Amount					
		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2021	78,392,359	48	—	988,812	10,813	(678,434)	321,239
Net loss	—	—	—	—	—	(69,434)	(69,434)
Translation adjustments	—	—	—	—	654	—	654
Exercise and vesting of share-based awards	490,681	1	—	2,883	—	—	2,884
Share-based compensation	—	—	—	19,036	—	—	19,036
Balance as of June 30, 2021	78,883,040	49	—	1,010,731	11,467	(747,868)	274,379
Balance as of June 30, 2021 in US\$		8	—	156,542	1,776	(115,830)	42,496

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”))

	Six months ended June 30,		
	2020	2021	
	RMB	RMB	US\$
Cash flows from operating activities:			
Net loss	(91,446)	(69,434)	(10,754)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation of property and equipment	18,648	13,406	2,076
Amortization of intangible assets	2,157	2,190	339
Allowance for doubtful accounts	8,243	221	34
Interest expenses, net	3,870	2,706	419
Gain on disposal of property and equipment	(12)	(814)	(126)
Change in fair value of structured notes	(920)	(20)	(3)
Change in fair value of foreign currency swap contract	—	(1,905)	(295)
Share-based compensation expenses	16,111	19,036	2,948
Changes in operating assets and liabilities:			
Accounts and notes receivable	61,516	6,524	1,010
Prepayments and other current assets	11,960	4,885	757
Amounts due from related parties	16	—	—
Other non-current assets	(124)	(291)	(45)
Accounts payable	(4,036)	(2,934)	(454)
Deferred revenue and customer deposits	20,137	(3,734)	(578)
Accrued liabilities and other current liabilities	(6,305)	(17,840)	(2,763)
Amounts due to related parties	(28)	—	—
Other non-current liabilities	—	1,138	176
Net cash provided by/ (used in) operating activities	<u>39,787</u>	<u>(46,866)</u>	<u>(7,259)</u>

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”))

	Six months ended June 30,		
	2020	2021	
	RMB	RMB	US\$
Cash flows from investing activities:			
Purchase of short-term investments	(360,250)	—	—
Proceeds from short-term investments	251,450	51,229	7,934
Purchase of long-term investments	(36,567)	—	—
Investment in loans	(5,000)	—	—
Investment in a convertible loan	—	(4,223)	(654)
Purchase of property and equipment	(16,332)	(16,212)	(2,511)
Proceeds from disposal of property and equipment	18	2,599	403
Purchase of intangible assets	(1,201)	(1,265)	(196)
Net cash (used in)/ provided by investing activities	<u>(167,882)</u>	<u>32,128</u>	<u>4,976</u>
Cash flows from financing activities:			
Proceeds from issuance of common shares	—	1	—
Redemption of convertible notes	—	(228,508)	(35,391)
Proceeds from short-term bank loan	—	150,000	23,232
Proceeds from exercise of share options	457	2,884	446
Net cash used in financing activities	<u>457</u>	<u>(75,623)</u>	<u>(11,713)</u>
Effect of exchange rate on cash and cash equivalents and restricted cash	1,742	1,341	209
Net decrease in cash and cash equivalents and restricted cash	<u>(125,896)</u>	<u>(89,020)</u>	<u>(13,787)</u>

AURORA MOBILE LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”))

	Six months ended June 30,		
	2020 RMB	2021 RMB	US\$
Net decrease in cash and cash equivalents and restricted cash	<u>(125,896)</u>	<u>(89,020)</u>	<u>(13,787)</u>
Cash, cash equivalents and restricted cash at the beginning of the period	431,574	356,230	55,173
Including:			
Cash and cash equivalents at the beginning of the period	431,459	356,115	55,155
Restricted cash at the beginning of the period	115	115	18
Cash, cash equivalents and restricted cash at the end of the period	<u>305,678</u>	<u>267,210</u>	<u>41,386</u>
Including:			
Cash and cash equivalents at the end of the period	305,563	102,854	15,930
Restricted cash at the end of the period	115	164,356	25,456
Supplemental disclosures of cash flow information:			
Interest paid	—	1,196	185
Income tax paid	—	34	5
Non-cash investing and financing activities:			
Acquisition of long-term investments	8,000	—	—
Purchase of intangible assets	2,446	—	—
Purchase of property and equipment	<u>—</u>	<u>2,297</u>	<u>356</u>

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities

Aurora Mobile Limited (the “Company” and where appropriate, the term “Company” also refers to its subsidiaries and variable interest entity) is a limited company incorporated in the Cayman Islands under the laws of the Cayman Islands on April 9, 2014. The Company, through its subsidiaries and variable interest entity (“VIE”), are principally engaged in providing targeted marketing and SAAS Businesses, which include developer services, financial risk management, market intelligence and location-based intelligence services, in the People’s Republic of China (the “PRC”).

As PRC laws and regulations prohibit and restrict foreign ownership of internet value-added businesses, the Company operates its business, primarily through the VIE. The Company, through JPush Information Consulting (Shenzhen) Co., Ltd. (“Shenzhen JPush” or “WFOE”) entered into powers of attorney and an exclusive option agreement with the nominee shareholders of the VIE, Shenzhen Hexun Huagu Information Technology Co., Ltd., that gave WFOE the power to direct the activities that most significantly affect the economic performance of the VIE and to acquire the equity interests in the VIE when permitted by the PRC laws, respectively. In addition, pursuant to the supplementary agreements signed in March 2018, the rights under the aforementioned power of attorney and the exclusive call option agreements were assigned to the board of directors of the Company (the “Board”) or any officer authorized by the Board, which entitled the Company to receive economic benefits from the VIE that potentially could be significant to the VIE.

Despite the lack of technical majority ownership, the Company has effective control of the VIE through a series of VIE agreements and a parent-subsidiary relationship exists between the Company and the VIE. Through the VIE agreements and the supplementary agreements, the shareholders of the VIE effectively assigned all of their voting rights underlying their equity in the VIE to the Company. In addition, through the exclusive business operation agreement, the Company, through its WFOE in the PRC, have the right to receive economic benefits from the VIE that potentially could be significant to the VIE. Lastly, through the financial support agreement and the shareholder voting proxy agreement, the Company has the obligation to absorb losses of the VIE that could potentially be significant to the VIE. Therefore, the Company is considered the primary beneficiary of the VIE and consolidates the VIE as required by SEC Regulation S-X Rule 3A-02 and Accounting Standards Codification (“ASC”) 810.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities (continued)

The following is a summary of the VIE agreements:

Exclusive Option Agreements

Pursuant to the exclusive option agreements entered into between VIE's nominee shareholders and the WFOE, the nominee shareholders irrevocably granted the WFOE an option to request the nominee shareholders to transfer or sell any part or all of its equity interests in the VIE, or any or all of the assets of the VIE, to the WFOE, or their designees. The purchase price of the equity interests in the VIE is equal to the minimum price required by PRC law. Without the WFOE's prior written consent, the VIE and its nominee shareholders cannot amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, create or allow any encumbrance on its assets or other beneficial interests and provide any loans or guarantees. The nominee shareholders cannot request any dividends or other form of assets. If dividends or other form of assets were distributed, the nominee shareholders are required to transfer all received distribution to the WFOE or their designees. These agreements are not terminated until all of the equity interest of the VIE is transferred to the WFOE or the person(s) designated by the WFOE. None of the nominee shareholders have the right to terminate or revoke the agreements under any circumstance unless otherwise regulated by law.

Equity Interest Pledge Agreements

Pursuant to the equity interest pledge agreements, each nominee shareholder of the VIE has pledged all of their respective equity interests in the VIE to WFOE as continuing first priority security interest to guarantee the performance of their and the VIE's obligations under the powers of attorney agreement, the exclusive option agreement and the exclusive business cooperation agreement. WFOE is entitled to all dividends during the effective period of the share pledge except as it agrees otherwise in writing. If VIE or any of the nominee shareholder breaches its contractual obligations, WFOE will be entitled to certain rights regarding the pledged equity interests, including receiving proceeds from the auction or sale of all or part of the pledged equity interests of VIE in accordance with PRC law. None of the nominee shareholders shall, without the prior written consent of WFOE, assign or transfer to any third party, distribute dividends and create or cause any security interest and any liability in whatsoever form to be created on, all or any part of the equity interests it holds in the VIE. This agreement is not terminated until all of the technical support and consulting and service fees have been fully paid under the exclusive business cooperation agreement and all of VIE's obligations have been terminated under the other controlling agreements. On December 16, 2014, the Company registered the equity pledge with the relevant office of the administration for industry and commerce in accordance with the PRC Property Rights Law.

Exclusive Business Cooperation Agreement

Pursuant to the exclusive business cooperation agreement entered into by WFOE and VIE, WFOE provides exclusive technical support and consulting services in return for an annual service fee based on a certain percentage of the VIE's audited total operating income, which is adjustable at the sole discretion of WFOE. Without WFOE's consent, the VIE cannot procure services from any third party or enter into similar service arrangements with any other third party, except for those from WFOE. In addition, the profitable consolidated VIE has granted WFOE an exclusive right to purchase any or all of the business or assets of each of the profitable consolidated VIE at the lowest price permitted under PRC law. This agreement is irrevocable or can only be unilaterally revoked/amended by WFOE.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities (continued)

Powers of Attorney

Pursuant to the powers of attorney signed between VIE's nominee shareholders and WFOE, each nominee shareholder irrevocably appointed WFOE as its attorney-in-fact to exercise on each shareholder's behalf any and all rights that each shareholder has in respect of its equity interest in VIE (including but not limited to executing the exclusive right to purchase agreements, the voting rights and the right to appoint directors and executive officers of VIE). This agreement is effective and irrevocable as long as the nominee shareholder remains a shareholder of VIE.

In March 2018, the following supplementary agreements were entered into:

Financial Support Agreement

Pursuant to the financial support undertaking letter dated March 28, 2018, the Company is obligated to provide unlimited financial support to the VIE, to the extent permissible under the applicable PRC laws and regulations. The Company will not request repayment of the loans or borrowings if the VIE or its shareholders do not have sufficient funds or are unable to repay.

Shareholder Voting Proxy Agreement

The Nominee Shareholders also re-signed the powers of attorney agreement whereby they granted an irrevocable proxy of the voting rights underlying their respective equity interests in VIE from the WFOE to the Company, which includes, but are not limited to, all the shareholders' rights and voting rights empowered to the Nominee Shareholders by the company law and the Company's Article of Association.

Accordingly, as a result of the power to direct the activities of the VIE pursuant to the powers of attorney agreement and the obligation to absorb the expected losses of VIE through the unlimited financial support, the WFOE ceased to be the primary beneficiary and the Company became the primary beneficiary of the VIE on March 28, 2018.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities (continued)

In the opinion of the Company’s legal counsel, (i) the ownership structure of the PRC subsidiary and the VIE are in compliance with the existing PRC laws and regulations; (ii) each of the VIE agreements is valid, binding and enforceable in accordance with its terms and applicable PRC laws or regulations and will not violate applicable PRC laws or regulations in effect; and (iii) are valid in accordance with the articles of association of the Company.

However, uncertainties in the PRC legal system could cause the Company’s current ownership structure to be found in violation of existing and/or future PRC laws or regulations and could limit the Company’s ability to enforce its rights under these contractual arrangements. Furthermore, the nominee shareholders of the VIE may have interests that are different than those of the Company, which could potentially increase the risk that they would seek to act contrary to the terms of the contractual agreements with the VIE.

In addition, if the current structure or any of the contractual arrangements is found to be in violation of any existing or future PRC laws or regulations, the Company could be subject to penalties, which could include, but not be limited to, revocation of business and operating licenses, discontinuing or restricting business operations, restricting the Company’s right to collect revenues, temporary or permanent blocking of the Company’s internet platforms, restructuring of the Company’s operations, imposition of additional conditions or requirements with which the Company may not be able to comply, or other regulatory or enforcement actions against the Company that could be harmful to its business. The imposition of any of these or other penalties could have a material adverse effect on the Company’s ability to conduct its business.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities (continued)

The following table set forth the assets and liabilities of the VIE included in the Company’s consolidated balance sheets:

	As of		
	December 31, 2020	June 30, 2021	
	RMB	RMB	US\$
ASSETS:			
Current assets:			
Cash and cash equivalents	115,713	63,013	9,759
Restricted cash	115	158,356	24,526
Short-term investments	50,000	30,000	4,646
Accounts and notes receivable, net	44,539	37,521	5,811
Prepayments and other current assets	27,915	41,468	6,423
Amounts due from the Company and its subsidiaries	58,291	59,922	9,281
Total current assets	<u>296,573</u>	<u>390,280</u>	<u>60,446</u>
Non-current assets:			
Property and equipment, net	45,928	52,641	8,153
Intangible assets, net	9,491	7,543	1,168
Long-term investments	113,408	113,408	17,565
Other non-current assets	4,719	1,684	261
Total non-current assets	<u>173,546</u>	<u>175,276</u>	<u>27,147</u>
Total assets	<u>470,119</u>	<u>565,556</u>	<u>87,593</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	16,564	13,268	2,055
Deferred revenue and customer deposits	104,681	102,198	15,828
Accrued liabilities and other current liabilities	66,772	64,150	9,936
Amounts due to the Company and its subsidiaries	224,124	282,613	43,771
Total current liabilities	<u>412,141</u>	<u>462,229</u>	<u>71,590</u>
Non-current liabilities:			
Amounts due to the Company and its subsidiaries	297,000	377,000	58,390
Deferred revenue	561	856	133
Other non-current liabilities	—	693	107
Total non-current liabilities	<u>297,561</u>	<u>378,549</u>	<u>58,630</u>
Total liabilities	<u>709,702</u>	<u>840,778</u>	<u>130,220</u>

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

1 Organization and principal activities (continued)

The table sets forth the results of operations and cash flows of the VIE included in the Company’s consolidated statements of comprehensive loss and cash flows.

	For the six months ended June 30,		
	2020	2021	
	RMB	RMB	US\$
Revenues	253,197	162,605	25,184
Cost of revenues	(152,732)	(34,489)	(5,342)
Net loss	(69,950)	(41,793)	(6,473)
Net cash provided by operating activities	83,618	19,773	3,062
Net cash (used in) / provided by investing activities	(133,308)	5,768	893
Net cash (used in) / provided by financing activities	(13,084)	80,000	12,390

There were no pledges or collateralization of the VIE’s assets as of December 31, 2020. As of June 30, 2021, RMB157,900 (US\$24,456) of the restricted cash balance represents deposits held as collateral for the Company’s short-term loan with Shanghai Pudong Development Bank.

The amount of net liabilities of the VIE was RMB239,583 and RMB275,222 (US\$42,627) as of December 31, 2020 and June 30, 2021, respectively. Creditors of the VIE have no recourse to the general credit of the primary beneficiary of the VIE, and such amounts have been parenthetically presented on the face of the consolidated balance sheets. The VIE holds certain assets, including data servers and related equipment for use in their operations. The VIE does not own any facilities except for the rental of certain office premises and data centers from third parties under operating lease arrangements. The VIE also holds certain value-added technology licenses, registered copyrights, trademarks and registered domain names, including the official website, which are also considered as revenue-producing assets. However, none of such assets was recorded on the Company’s consolidated balance sheets as such assets were all internally developed and expensed as incurred as they did not meet the capitalization criteria. The Company has not provided any financial or other support that it was not previously contractually required to provide to the VIE during the periods presented.

2 Summary of Significant Accounting Policies

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information using accounting policies that are consistent with those used in the preparation of the Company’s audited consolidated financial statements for the year ended December 31, 2020. Accordingly, these unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

Basis of presentation (continued)

In the opinion of the Company’s management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Company for each of the periods presented. The results of operations for the six months ended June 30, 2021 are not necessarily indicative of results to be expected for any other interim period or for the full year of 2021. The consolidated balance sheet as of December 31, 2020 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2020.

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the VIE. All significant intercompany transactions and balances have been eliminated upon consolidation.

Use of estimates

The preparation of the Company’s consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates form the basis for judgments that management make about the carrying values of assets and liabilities, which are not readily apparent from other sources. Management base their estimates and judgments on historical information and on various other assumptions that they believe are reasonable under the circumstances. U.S. GAAP requires management to make estimates and judgments in several areas, including, but not limited to, those related to allowance for doubtful accounts, volume rebates relates to targeted marketing service, useful lives of property and equipment and intangible assets, valuation of intangible asset acquisition, impairment of long-lived assets, fair value measurements and impairment for equity investments without readily determinable fair value, impairment of loans receivables, including due from related parties, valuation allowance for deferred tax assets, uncertain tax position, fair value change of derivative assets and share-based compensation. These estimates are based on management’s knowledge about current events and expectations about actions that the Company may undertake in the future. Actual results could differ from those estimates.

Convenience translation

Translations of amounts from RMB into US\$ for the convenience of the reader have been calculated at the exchange rate of RMB6.4566 per US\$1.00 on June 30, 2021, as published on the website of the United States Federal Reserve Board. No representation is made that the RMB amounts could have been, or could be, converted into US\$ at such rate.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)***Restricted cash***

Restricted cash balance mainly represents (a) cash granted by the government for certain approved technology research and development projects, which are not available for use until the Company obtains pre-approval from the government; and (b) deposits held in designated bank accounts as collateral for the Company’s short-term bank loan and foreign exchange swap contract, which are not available for the Company’s general use for operations.

Derivative assets

Derivative assets include (a) embedded derivatives separated from the host contract of bank structured deposits with interest rates indexed to the gold price index, which are measured at fair value in the condensed consolidated balance sheets; and (b) balances from the Company’s foreign currency swap contract with Shanghai Pudong Development Bank to reduce volatility in the Company’s economic value caused by foreign currency fluctuations. The foreign currency swap contract is not designated as hedges. Both embedded derivatives and the foreign currency swap contract are marked to market at each reporting date, with changes in fair value recognized in the condensed consolidated statements of comprehensive loss.

Revenue recognition***Targeted Marketing***

The Company generates targeted marketing revenue by providing targeted marketing solution in the form of integrated marketing campaign to advertiser through the *XiaoGuoTong* marketing platform and built upon its multi-dimensional device-level mobile behavioral data or other third-party marketing platforms such as Guangdiantong of Tencent, which is identified as one performance obligation. The ads are displayed on a wide spectrum of reputable publishers, through bidding for ad slots using rates directly negotiated with the various publishers. Moreover, volume rebates to customers under targeted marketing revenue applied on a prospective basis when they recharge their target marketing accounts above a specific threshold are material rights. Such rebates are accounted for as changes in total transaction price and allocated directly to the separate performance obligations.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

Targeted Marketing (continued)

The Company enters into contractual arrangements with advertisers that stipulate the types of advertising to be delivered and the pricing. Advertising customers pay for the targeted marketing solutions primarily based on a cost-per-click (“CPC”) or cost-per-action (“CPA”) basis. Majority of the contract duration is less than one year. For certain arrangements, customers are required to pay the Company before the services are delivered. For other arrangements, the Company provided customers with a credit term less than one year. The Company acts as the principal in the targeted marketing arrangements under which the Company has control over the fulfillment of the service and has discretion in establishing price. Accordingly, the Company recognizes revenue on a gross basis and at a point in time once agreed actions are performed. Revenues are presented net of value-added tax collected on behalf of the government.

Starting from January 1, 2021, the Company has fully exited the Target Marketing business and financial results since then only reflect SAAS Businesses.

SAAS Businesses

The Company generates SAAS Businesses revenue primarily from developer services and vertical applications. For developer services, there are three types of contracts, subscription-based contracts, project-based contracts and consumption-based contracts. The Company primarily enters into subscription-based contracts with its customers to provide push notification or instant messaging (collectively “notification services”), which the Company provides its customers with access to its notification services platform. This enables customers to send notifications and messages to users. The Company generally recognizes revenue ratably over time under the subscription-based contracts as stand-ready obligations because the customer simultaneously receives and consumes the benefits as the Company provides subscription services throughout a fixed contract term. The Company uses an output method of progress based on fixed contract term as it best depicts the transfer of control to the customer.

The Company primarily enters into consumption-based contracts with its customers to provide value-added services. For value-added services, the Company built an APP Alliance which connects advertisers and APP developers, who are the suppliers of avenue where the advertisements will be displayed. The Company enters into contractual arrangements with advertisers that stipulate the types of advertising to be delivered and priced. Advertising customers pay for the value-added service primarily based on cost-per-action (“CPA”) basis or cost-per-click (“CPC”) basis. All of the contractual arrangements’ duration is less than one year. For certain arrangements, customers are required to pay the Company before the services are delivered. For other arrangements, the Company provides customers with a credit term less than six months. The Company acts as the principal in the value-added services in which the Company has control over the fulfillment of the service and has discretion in establishing price. Accordingly, the Company recognizes revenue on a gross basis and at a point in time once agreed actions are performed.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

SAAS Businesses (continued)

The Company primarily enters into project-based contracts with its customers to provide private cloud-based developer services, which are designed to provide customizable services to customers who want a more controlled software environment and more comprehensive technology and customer support. The Company provides its customers one combined performance obligation including customized APP push notification system or instant messaging system and related system training services as both performance obligations are incapable of being distinct because the customer cannot derive economic benefit from the related system training services on its own. Meanwhile, the Company also provides post contract assurance-type maintenance services, which usually have a duration of one year. Under ASC 606, the Company recognize revenue at the point in time when the system is implemented, and the training service is provided, which is represented by the customer acceptance received by the Company. Meanwhile, the estimated cost of assurance-type maintenance services is accrued as “Costs of revenues”, which is not material.

For vertical applications, the Company enters into agreements with its customers to provide data analytic solutions and there are three types of contracts, including subscription-based contracts, project-based contracts and consumption-based contracts. The Company primarily enters into subscription-based contracts with its customers to provide customizable service package for a fixed contract term, which allows the customers to subscribe a fixed number of apps to obtain unlimited volume of queries to the Company’s analytic results. The Company generally recognizes revenue ratably over time under the subscription-based contracts because the customer simultaneously receives and consumes the benefits as the Company provides subscription services throughout a fixed contract term.

The Company primarily enters into project-based contracts with its customers to provide in-depth analytics services and generate customized reports based on the customers’ specific requirements. The Company recognizes revenue at the point in time when the customized reports are provided.

The Company primarily enters into consumption-based contracts with its customers to process the queries or provide features based on the customers’ requirements. When the Company receives a placed order, it recognizes revenue at a point in time when the queries are processed, or the features are utilized by the customers.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

SAAS Businesses (continued)

For certain arrangements, customers are required to pay the Company before the services are delivered. For other arrangements, the Company provides customers with a credit term under six months.

Other revenue recognition related policies

Timing of revenue recognition may differ from the timing of invoicing to customers. Some customers are required to pay before the services are delivered to the customer. When either party to a revenue contract has performed, the Company recognizes a contract asset or a contract liability on the consolidated balance sheet, depending on the relationship between the Company’s performance and the customer’s payment.

Contract assets represent amounts related to the Company’s rights to consideration received for private-cloud-based service and are included in “Prepayments and other assets” on the condensed consolidated balance sheets. Amount of contract assets was not material as of December 31, 2020 and June 30, 2021, respectively.

Contract liabilities are mainly related to fees for services to be provided over the service period, which are presented as “Deferred revenue” on the condensed consolidated balance sheets. Revenue recognized for the six months ended June 30, 2021 that was included in contract liabilities as of January 1, 2021 was RMB44,405 (US\$6,877). Revenue recognized for the six months ended June 30, 2020 that was included in contract liabilities as of January 1, 2020 was RMB25,368. A summary of contract liabilities is as follows:

	As of	
	December 31, 2020	June 30, 2021
	RMB	RMB US\$
Contract liabilities	71,141	70,166 10,867

Customer deposits relate to customer’s unused balances that are refundable. Once this balance is utilized by the customer, the corresponding amount would be recognized as revenue.

As of June 30, 2021, the Company’s unsatisfied (or partially unsatisfied) performance obligations in contracts with its customers was RMB31,425 (US\$4,867). The Company expects to recognize the majority of its remaining performance obligations as revenue within the next year.

Costs of revenues

Cost of revenues consists primarily of the cost of purchasing ad inventory associated with targeted marketing services, bandwidth cost, staff costs and depreciation of servers used for revenue generating services. Starting from January 1, 2021, the Company had fully exited the targeted marketing business and the cost of revenues since then is only incurred from SAAS Businesses.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

Fair value measurements

The carrying amounts of financial assets and liabilities, such as cash equivalents, restricted cash, accounts receivable, other receivables within prepayments and other current assets, balances with related parties, accounts payable, and other payables with accrued liabilities and other current liabilities, approximate their fair values because of the short maturity of these instruments. The carrying amounts of convertible notes were recognized based on residual proceeds after allocation to the derivative liabilities at fair market value. The estimated fair values of the convertible notes are based on a valuation methodology using market approach since it bears interest rates which approximate market interest rates of issuers of similar credit risk profile.

Concentration of risks

Concentration of credit risk

Financial assets that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, derivative assets, other receivables within prepayments and other current assets, short-term investments and accounts receivable.

The Company places its cash and cash equivalents with reputable financial institutions which have high-credit ratings. As of December 31, 2020, and June 30, 2021, the aggregate amount of cash and cash equivalents, restricted cash, derivative assets and short-term investments of RMB322,183 and RMB277,979 (US\$43,053), respectively, were held at major financial institutions located in the PRC, and US\$17,494 and US\$3,274 (RMB21,136), respectively, were deposited with major financial institutions located outside the PRC. There has been no recent history of default related to these financial institutions. The Company continues to monitor the financial strength of the financial institutions. The Company manages credit risk of accounts receivable through ongoing monitoring of the outstanding balances.

Concentration of suppliers

Approximately 76.1% and 49.2% of advertising costs were paid to three suppliers for the six months ended June 30, 2020 and 2021, respectively.

Foreign currency exchange rate risk

The functional currency and the reporting currency of the Company are the US\$ and the RMB, respectively. On June 19, 2010, the PBOC announced the end of the RMB's de facto peg to the US\$, a policy which was instituted in late 2008 in the face of the global financial crisis, to further reform the RMB exchange rate regime and to enhance the RMB's exchange rate flexibility. On March 15, 2014, the People's Bank of China announced the widening of the daily trading band for RMB against US\$. The depreciation of the US\$ against RMB was approximately 1.05% for the six months ended June 30, 2021. Most of the Company's revenues and costs are denominated in RMB, while a portion of cash and cash equivalents, short-term investments, and accounts payable are denominated in US\$. Any significant revaluation of RMB may materially and adversely affect the Company's consolidated revenues, earnings and financial position in US\$.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

2 Summary of Significant Accounting Policies (continued)

Impact of COVID-19

During the six months ended June 30, 2020 and 2021, COVID-19 has had limited impact on the Company’s operations, including revenues declined compared to the prior period partly due to weakness in demand as its customers in certain industries are negatively impacted by COVID-19.

There are still uncertainties of COVID-19’s future impact, and the extent of the impact will depend on a number of factors, including the duration and severity of the pandemic; the uneven impact to certain industries; and the macroeconomic impact of government measures to contain the spread of COVID-19 and related government stimulus measures. As a result, certain of the Company’s estimates and assumptions, including the allowance for accounts and the valuation of certain equity investments subject to impairment assessments, require significant judgments and carry a higher degree of variabilities and volatilities that could result in material changes to the Company’s current estimates in future periods. The extent of the impact of the COVID-19 on the Company’s operational and financial performance in the longer term will depend on future developments, including the duration of the outbreak and related travel advisories and restrictions and the impact of the COVID-19 on overall demand for travel, all of which are highly uncertain and beyond the control of the Company and the impact cannot be reasonably estimated at this time.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

3 Accounts and notes receivable, net

	As of		
	December 31, 2020	June 30, 2021	
	RMB	RMB	US\$
Accounts and notes receivable	88,706	77,560	12,012
Less: allowance for doubtful accounts	(43,820)	(39,420)	(6,105)
Total accounts and notes receivable, net	44,886	38,140	5,907

The following table presents the movement in the allowance for doubtful accounts:

	As of		
	December 31, 2020	June 30, 2021	
	RMB	RMB	US\$
Balance at beginning of the period	28,516	43,820	6,787
Provisions	18,732	221	34
Write-offs	(3,428)	(4,621)	(716)
Balance at end of the period	<u>43,820</u>	<u>39,420</u>	<u>6,105</u>

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

4 Prepayments and other current assets

Prepayments and other current assets consist of the following:

	As of		
	December 31, 2020	June 30, 2021	
	RMB	RMB	US\$
Prepaid service fee	12,028	8,389	1,299
Investment in a convertible loan	—	4,223	654
VAT and other surcharges	10,467	10,336	1,601
Office rental deposit	636	342	53
Receivables from sales of shares on behalf of employees	11,060	364	56
Refund from prepaid media cost	6,838	1,095	170
Receivables on behalf of third party advertising companies	(i) —	16,966	2,628
Loans granted to equity investees	(ii) 500	3,500	542
Others	7,484	6,252	968
Total prepayments and other current assets	<u>49,013</u>	<u>51,467</u>	<u>7,971</u>

- (i) Starting from January 1, 2021, the Company has fully exited the Targeted Marketing business and this balance represents the receivables the Company acts as agent and collects on behalf of third party advertising companies for targeted marketing related services.
- (ii) As of December 31, 2020, under prepayments and other current assets includes the impairment charges of RMB4,500 that the Company recognized on loans granted to equity investees. No impairment charges were recognized on loans granted to equity investees for the six months ended June 30, 2021. The Company evaluates the impairment of the equity investments without readily determinable fair value along with loans the Company granted to those investees.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

5 Long-term investments

Equity investments without readily determinable fair value

As of June 30, 2021, the carrying amount of the Company’s equity investments was RMB167,979 (US\$26,017), net of RMB38,662 (US\$5,988) in accumulated impairment. As of December 31, 2020, the carrying amount of the Company’s equity investments was RMB168,526, net of RMB38,739 in accumulated impairment. No impairment charges were recognized on equity investments without readily determinable fair value for the six months ended June 30, 2020 and 2021. The Company does not have any downward adjustments for the six months ended June 30, 2020 and 2021.

Total unrealized and realized gains and losses of equity investments without readily determinable fair values for the six months ended June 30, 2020 and 2021 were nil and nil, respectively.

6 Deferred revenue and customer deposits

Deferred revenue and customer deposits consist of the following:

	December 31, 2020	As of June 30, 2021	
	RMB	RMB	US\$
Deferred revenue	71,141	70,166	10,867
Customer deposits	38,041	36,099	5,591
Total deferred revenue and customer deposits - current	109,182	106,265	16,458
Deferred revenue - non-current	6,049	5,233	810

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

7 Accrued liabilities and other current liabilities

Accrued liabilities and other current liabilities consist of the following:

	December 31, 2020	As of	
	RMB	June 30, 2021 RMB	US\$
Accrued payroll and welfare payables	59,511	52,232	8,090
Other taxes and surcharge	19,360	11,891	1,842
Service fees	5,481	5,960	923
Acquisition of property and equipment	3,858	1,757	272
Government grant	4,564	4,526	701
Rental and property management fee	3,278	4,045	626
Payables for sales of employees’ shares	10,308	228	35
Payables to third party advertising companies	(i) —	5,414	839
Others	2,776	4,520	699
Total accrued liabilities and other current liabilities	109,136	90,573	14,027

- (i) Starting from January 1, 2021, the Company has fully exited the Targeted Marketing business and this balance represents the payments to third party advertising companies for targeted marketing related services as the Company acts as agent.

8 Income taxes

The Company has holding companies in Cayman Island, British Virgin Islands, Hong Kong and its main operations is in the PRC. The Company’s entities are subject to local statutory income tax rate in these jurisdictions. Specifically, the Company’s PRC entities are subject to a statutory income tax rate of 25%, in accordance with the Enterprise Income Tax Law (the “EIT Law”). The Company’s Hong Kong entity is subject to a statutory income tax rate of 16.5%, in accordance with the Hong Kong tax laws.

The Company recorded an income tax expense of nil and RMB11 (US\$2), representing an effective tax rate of 0.00% and (0.03%) respectively for the six months ended June 30, 2020 and June 30, 2021. The slight fluctuation came from the Company’s Hong Kong entity, while the other entities in the Company were in a current loss position for each of the periods presented and they recorded a full valuation allowance against all deferred tax assets due to historical losses and no future profits forecasted for the foreseeable future as of each of the periods presented.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

9 Commitments and contingencies

Operating lease commitments

The Company leases office premises in the PRC under non-cancellable operating leases ranging from six months to five years. Payments under operating leases are expensed on a straight-line basis over the periods of the respective leases.

Total operating lease expenses were RMB7,640 and RMB6,509 (US\$1,008) for the six months ended June 30, 2020 and 2021, respectively.

As of June 30, 2021, future minimum payments under non-cancellable operating leases were as follows:

	<u>RMB</u>	<u>US\$</u>
For the six months ended December 31, 2021	4,477	693
For the years ended December 31,		
2022	9,333	1,445
2023	6,577	1,019
2024	5,381	833
Total	<u>25,768</u>	<u>3,990</u>

The Company’s operating lease commitments have no renewal options, rent escalation clauses and restrictions or contingent rents. There are no lease payments in 2025 and after.

Capital commitments

As of June 30, 2021, future minimum payment under non-cancellable purchase commitment is nil.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

10 Loss per share

Basic and diluted loss per share is calculated as follows:

	For the six months ended June 30,						
	2020		2021				
	Class A RMB	Class B RMB	Class A		Class B		
		RMB	US\$	RMB	US\$		
Numerator:							
Net loss attributable to Class A and Class B common shareholders		(71,306)	(20,140)	(54,429)	(8,430)	(15,005)	(2,324)
Net loss attributable to common shareholders		<u>(71,306)</u>	<u>(20,140)</u>	<u>(54,429)</u>	<u>(8,430)</u>	<u>(15,005)</u>	<u>(2,324)</u>
Denominator:							
Weighted average number of shares used in calculating basic and diluted loss per share		<u>60,190,846</u>	<u>17,000,189</u>	<u>61,668,577</u>	<u>61,668,577</u>	<u>17,000,189</u>	<u>17,000,189</u>
Basic and diluted loss per share		<u>(1.18)</u>	<u>(1.18)</u>	<u>(0.88)</u>	<u>(0.14)</u>	<u>(0.88)</u>	<u>(0.14)</u>

For the six months ended June 30, 2020 and 2021, the two-class method is applicable because the Company has Class A and Class B ordinary shares outstanding, and both classes have contractual rights with regards to dividends and distributions upon liquidation of the Company. As the Company is in a net loss position, the effect of share options, restricted share units and convertible notes were excluded from the computation of diluted loss per share for the six months ended June 30, 2020 and 2021 as they would be anti-dilutive.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

11 Revenues

Revenues consist of the following:

	For the six months ended June 30,		
	2020	2021	
	RMB	RMB	US\$
Targeted Marketing	141,282	—	—
SAAS Businesses			
Developer Services	77,216	113,608	17,596
Vertical Applications	38,520	52,001	8,054
Total SAAS Businesses	115,736	165,609	25,650
Total revenues	<u>257,018</u>	<u>165,609</u>	<u>25,650</u>

For the six months ended June 30, 2020 and 2021, revenues recognized at the point in time are RMB196,006 and RMB98,405 (US\$15,241), respectively. For the six months ended June 30, 2020 and 2021, revenues recognized over time are RMB61,012 and RMB67,204 (US\$10,409), respectively.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

12 Short-term investments

The Company accounts for its short-term investments which were mainly deposits in commercial banks with maturities less than one year and structured deposits issued by commercial banks and other financial institutions in accordance with ASC Topic 320, Investments—Debt Securities (“ASC 320”) and as the Company has the positive intent and ability to hold them to maturity, the short-term investments are classified as held-to-maturity securities and stated at amortized cost less impairment.

Short-term investments classification as of December 31, 2020 and June 30, 2021 were shown as below:

	As of December 31, 2020					Fair value RMB
	Cost or Amortized cost	Gross unrecognized holding gains	Gross unrecognized holding losses	Gross unrecognized gains	Gross unrecognized losses	
	RMB					
Held-to-maturity debt investments	80,000	—	—	—	—	80,000

	As of June 30, 2021						Fair value	
	Cost or Amortized cost		Gross unrecognized holding gains	Gross unrecognized holding losses	Gross unrecognized gains	Gross unrecognized losses	RMB	US\$
	RMB	US\$						
Held-to-maturity debt investments	30,000	4,646	—	—	—	—	30,000	4,646

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

12 Short-term investments (continued)

As of December 31, 2020, the Company’s short-term investments comprise primarily of principal guaranteed structured deposits placed with financial institutions with maturities within twelve months and interest rates indexed to gold price. The indexation of interest rates to gold prices are considered embedded derivatives that are separated from the host contract of bank structured deposits and are recorded separately in “Derivative assets” and measured at fair value in the consolidated balance sheets. The fair value of the derivatives assets is disclosed in Note 13 - Fair value measurements.

As of June 30, 2021, the Company’s short-term investments only comprises of time deposits with original maturities over three months.

13 Fair value measurements

ASC 820-10, *Fair Value Measurements and Disclosures: Overall*, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 — Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 — Include other inputs that are directly or indirectly observable in the marketplace

Level 3 — Unobservable inputs which are supported by little or no market activity

ASC 820-10 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Assets and liabilities measured or disclosed at fair value

The Company measures derivative assets at fair value on a recurring basis. The derivative assets are classified within Level 2 as the fair value is measured by using inputs derived from or corroborated by observable market data.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

13 Fair value measurements (continued)

The Company’s non-financial long-lived assets, such as intangible assets and property and equipment, would be measured at fair value only if they were determined to be impaired. Company uses a combination of valuation methodologies, including market approach based on the Company’s best estimate to determine the fair value of these non-financial assets. The Company measures non-recurring fair value measurements as of the observable transaction dates. The fair value (level 2) was evaluated for certain property and equipment based on quoted prices for similar assets in markets that are not active.

For equity investments accounted for under the measurement alternative, when there are observable price changes in orderly transactions for identical or similar investments of the same issuer, the investments are re-measured to fair value (Note 5). The non-recurring fair value measurements to the carrying amount of an investment usually requires management to estimate a price adjustment for the different rights and obligations between a similar instrument of the same issuer with an observable price change in an orderly transaction and the investment held by the Company. These non-recurring fair value measurements were measured as of the observable transaction dates. The valuation methodologies involved require management to use the observable transaction price at the transaction date and other unobservable inputs (level 3) such as volatility of comparable companies and probability of exit events as it relates to liquidation, redemption preferences and qualified IPO.

The Company measures certain financial assets, including equity securities accounted for at fair value using measurement alternative at fair value on a non-recurring basis only if an impairment loss or upward valuation were to be recognized.

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

13 Fair value measurements (continued)

As of December 31, 2020, and June 30, 2021, assets measured or disclosed at fair value are summarized below:

	Total Fair Value at December 31, 2020 RMB	Fair value measurement or disclosure at December 31, 2020 using			Fair value adjustment RMB
		Quoted prices in active markets for identical assets (Level 1) RMB	Significant other observable inputs (Level 2) RMB	Significant unobservable inputs (Level 3) RMB	
<i>Fair value measurements on a recurring basis</i>					
Derivative assets	100	—	100	—	—
<i>Fair value measurement on a non-recurring basis</i>					
Equity investments accounted for at fair value using the alternative measurement	—	—	—	—	(38,739)
Property and equipment, net	4,505	—	4,505	—	(10,952)
Total assets measured at fair value	4,605	—	4,605	—	(49,691)

AURORA MOBILE LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

13 Fair value measurements (continued)

	Total Fair Value at June 30, 2021 RMB	Total Fair Value at June 30, 2021 US\$	Fair value measurement or disclosure at June 30, 2021 using			Fair value adjustment RMB
			Quoted prices in active markets for identical assets (Level 1) RMB	Significant other observable inputs (Level 2) RMB	Significant unobservable inputs (Level 3) RMB	
<i>Fair value measurements on a recurring basis</i>						
Derivative assets	1,905	295	—	1,905	—	1,905
Total assets measured at fair value	1,905	295	—	1,905	—	1,905

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

(Amounts in thousands of Renminbi (“RMB”) and US dollars (“US\$”), except for number of shares and per share data)

14 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 VIE incorporated in PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The consolidated results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company’s subsidiaries.

Under PRC law, the Company’s subsidiary and VIE located in the PRC (collectively referred as the “PRC entities”) are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The PRC entities are required to allocate at least 10% of their after-tax profits on an individual company basis as determined under PRC accounting standards to the statutory reserve and has the right to discontinue allocations to the statutory reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, the registered capital of the PRC entities is also restricted.

Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the Board of Directors of the subsidiary. The PRC entities are also subject to similar statutory reserve requirements. These reserves can only be used for specific purposes and are not transferable to the Company in the form of loans, advances or cash dividends.

Amounts of net assets restricted include paid-in capital and statutory reserve of the Company’s PRC subsidiary and the net assets of the VIE in which the Company has no legal ownership, totaling RMB616,559 and RMB580,919 (US\$89,973) as of December 31, 2020 and June 30, 2021, respectively.

15 Subsequent Event

The Company has evaluated events and transactions for potential recognition and disclosure through November 10, 2021, the date the interim condensed consolidated financial statements were available to be issued.

SPD BANK
Term Loan Agreement

Agreement Version No.: SPDB201912

Term Loan AgreementBorrower: AURORA MOBILE LIMITED

Principal Place of Business: 14/F, China Certification and Inspection Building, Nanshan District, Shenzhen

Contact Person: Yan Lin

Tel: *****

Fax: /

Email: /

Lender: Shanghai Pudong Development Bank Co., Ltd. Shenzhen Branch

Principal Place of Business: No.88, Pucheng Road, Sungang Street, Luohu District, Shenzhen

Contact Person: Cheng Saijun

Tel: *****

Whereas:

The Borrower applies to the Lender for term loan for capital turnover needs; upon review, the Lender agrees to grant the loan in accordance with the terms and conditions of this Agreement. In order to clarify the rights and obligations of the parties, the Borrower and the Lender hereby enter into this Agreement in accordance with the relevant laws, regulations and rules of the People's Republic of China upon mutual agreement, and this Agreement shall be binding on both parties..

At the same time, the Borrower and the Lender confirm the following principal terms (please select in the box below according to the situation, "✓" for selected, and "×" for not selected):

This Agreement is a supplemental financing instrument to the Credit Line Agreement (hereunder referred to as the "Credit Line Agreement") with serial number _____. After this Agreement takes effect, all the terms and conditions contained herein shall be incorporated into and form a part of the Credit Line Agreement (this option should be selected if the Credit Line Agreement has been signed previously by the Borrower and the serial number of the Credit Line Agreement should be recorded here);

This Agreement is an independent credit instrument signed by the Borrower and the Lender (this option should be selected if the Borrower and the Lender have not signed the Credit Line Agreement);

The guarantor has been informed that the purpose of the loan under this Agreement is to repay the loan under the original contract name: _____, dated _____, with serial number _____ (Select this option if the purpose of borrowing is to repay the original or renew the loan).

Part I Commercial Terms

1. Types of loan: short-term working capital loan; mid-term working capital loan
2. The amount of loan under this Agreement is RMB (currency) one hundred and fifty million (in words).
3. The specific use of the loan under this Agreement is: repayment of overseas loan.
4. The term of the loan under this Agreement is: (“✓” for selected, and “×” for not selected in the following boxes):
 From _____ to _____;
 _____ / _____ year (or 12 months) from the date of the first drawdown.

The actual drawdown date and repayment date shall be the date recorded on the drawdown voucher (loan certificate) produced by the Lender and the Borrower. The date of the last repayment shall not extend beyond the loan period as agreed in this Agreement. The drawdown vouchers (loan certificates) form an integral part of this Agreement.

5. The interest rate of the loan under this Agreement is (“✓” for selected, and “×” for not selected in the following boxes):
 (1) RMB loan interest rate:

Each loan under this Agreement shall be granted at the one-year (term) loan prime rate (LPR) + - 50 BPS as published by the National Inter-Bank Funding Center at the end of the day immediately prior to the date the Lender actually grants the loan. If the calculated interest rate is less than 0%, it shall be implemented as 0%. (The loan prime rate is an annual interest rate, which can be found through the National Inter-Bank Funding Center and the website of the People’s Bank of China).

After each loan is granted, if the loan prime rate is adjusted during the loan term, the loan interest rate (“✓” for selected, and “×” for not selected in the following boxes):

- will not be adjusted as it is fixed;
- will be adjusted from the date of interest rate adjustment, with the loan prime rate (LPR) published by the National Inter-Bank Funding Center at the end of the day immediately prior to the date of interest rate adjustment for loans of the term as agreed above in this Article as the base, and the number of floating points and calculation method of the interest rate agreed above remaining unchanged. The specific date of interest rate adjustment is as below (“✓” for selected, and “×” for not selected in the following boxes):
- The interest rate is adjusted annually, and the date of interest rate adjustment is the corresponding day of the actual loan grant date in the corresponding month of the next calendar year. If there is no corresponding day of the actual loan grant date in the corresponding month of the next calendar year, the date of interest rate adjustment is the last day of the corresponding month of the actual loan grant date in the next calendar year;

- The interest rate is adjusted annually, and the date of interest rate adjustment is January 1 of each year;
- The interest rate is adjusted according to the interest settlement date, and the date of interest rate adjustment is the day immediately following the interest settlement date;
- The interest rate is adjusted quarterly, and the date of interest rate adjustment is on the _____ day of the last month of each quarter;
- The interest rate is adjusted monthly, and the date of interest rate adjustment is on the _____ day of each month;
- Other agreement (specific date of interest rate adjustment): _____.

(2) interest rate of foreign currency loan:

Each loan under this Agreement will be granted at the rate of ____ (year/month/week) _____ (LIBOR/HIBOR/SIBOR) published by the Lender on the date of grant plus _____ BPS.

After the grant of each loan under this Agreement, the method used to adjust the loan interest rate is as below (“✓” for selected, and “×” for not selected in the following boxes):

From the date each loan is granted, the interest rate shall be adjusted once every _____ (1/3/6/12) months in accordance with the latest foreign currency interest rate of the same period at the corresponding date;

Fixed interest rate without adjustment.

6. The interest settlement method of the loan under this Agreement (“✓” for selected, and “×” for not selected in the following boxes):

- Monthly, the interest settlement date is on the twentieth (20th) of each month;
- Quarterly, the interest settlement date is on the twentieth (20th) of the last month of each quarter;
- Other method: _____.

For instalment repayment of principal, the interest shall be paid together with the corresponding principal at the same time.

7. The interest rate for penalty interest under this Agreement:

(1) The penalty interest rate for overdue payments under this Agreement is determined at additional 50% over the applicable loan execution interest rate on the date of penalty interest settlement.

(2) The penalty interest rate for use of the loan for purposes other than those stipulated in this Agreement is determined at additional 50% over the applicable loan execution interest rate on the date of penalty interest settlement.

8. The drawdown period for the loan under this Agreement is from April 16, 2021 to May 16, 2021. The first drawdown shall be made before May 16, 2021.

9. The drawdown plan for the loan under this Agreement is as follows (“✓” for selected, and “×” for not selected in the following boxes):

The drawdown plan is as below:

<u>S.N.</u>	<u>Date of Drawdown</u>	<u>Amount of Drawdown</u>
1	April 16, 2021	RMB one hundred and fifty million (in words)
2		(in words)
3		(in words)
4		(in words)
5		(in words)
6		(in words)

Other agreement on the drawdown plan: _____.

10. The repayment plan for the loan under this Agreement is as follows (“✓” for selected, and “×” for not selected in the following boxes):

The repayment plan is as below:

<u>S.N.</u>	<u>Date of Repayment</u>	<u>Amount of Repayment</u>
1	April 16, 2022	RMB one hundred and fifty million (in words)
2		(in words)
3		(in words)
4		(in words)
5		(in words)
6		(in words)

Other agreement on the repayment plan: _____.

11. The liquidated damages for early repayment of the loan equal to / % of the total amount of actual early repayment or / (currency) / (in words).

12. The portion of the loan principal early repaid shall not be less than RMB (currency) / 0,000 (in words).

13. Account opening (select one of the following modes for RMB loans, select the special account mode for a foreign currency loan, and put "×" for accounts modes not selected):

Non-special Account Mode:

(1) The general settlement account opened by the Borrower at the Lender's bank is:

Bank: Shanghai Pudong Development Bank Co., Ltd. Shenzhen Qianhai Branch

Bank Account Name: AURORA MOBILE LIMITED

Bank Account Number: *****

(2) The Borrower's fund collection account opened at the Lender's bank is:

Bank: Shanghai Pudong Development Bank Co., Ltd. Shenzhen Qianhai Branch

Bank Account Name: AURORA MOBILE LIMITED

Bank Account Number: *****

Special Account mode:

(1) The special account for working capital loan opened by the Borrower at the Lender's bank is:

Bank: _____

Bank Account Name : _____

Bank Account Number: _____

(2) The general settlement account opened by the Borrower at the Lender's bank is:

Bank: Shanghai Pudong Development Bank Co., Ltd.

Bank Account Name: AURORA MOBILE LIMITED

Bank Account Number: _____

(3) The Borrower's fund collection account opened at the Lender's bank is:

Bank: Shanghai Pudong Development Bank Co., Ltd.

Bank Account Name: AURORA MOBILE LIMITED

Bank Account Number: _____

14. Entrusted payment by the Lender: any single payment from the loan that has a determinate payee and exceeds an amount of (currency and amount) RMB ten million shall be made through Lender Entrusted Payment.

15. The guarantors and guarantee contracts providing security for the debt hereunder include but are not limited to:

Guarantors: _____ Guarantee Contract No.: [_____] ;

Mortgagors: _____ Mortgage Contract No.: [_____] ;

Pledgor: Shenzhen Hexun Huagu Information Technology Co., Ltd.
Pledge Contract No.: [YE7P35202128013101];

Other guarantee: _____.

16. Handling of Defaults.

Liquidated damages equal to _____ / _____ (in words) percent of the principal amount borrowed or _____ / _____.

17. Appendix to this Agreement include:

(1) _____.

(2) _____.

(3) _____.

(4) _____.

(5) _____.

18. Other matters agreed upon by both parties.

None

19. This Agreement is made in four originals, one of which is held by the Borrower, three of which are held by the Lender, and _____ / _____ of which is/are held by _____ / _____, with the same legal effect.

(End of Part I)

Part II General Provisions

Article 1 Loan

1. **The Borrower irrevocably agrees and confirms that the Lender has the right to consider adjusting or adding conditions for the grant of the loan due to changes in laws, regulations and policies, or being restricted by the macro-monetary or financial regulatory policies of the government, or based on market conditions, capital position and financial cost, its own business needs, the Borrower's performance ability or financial condition or any other matter, or may suspend, reduce or cancel the loan in case of any other material change in conditions and notify the Borrower thereof.**

2. The loan hereunder shall be used in accordance with the loan purposes agreed herein. The Borrower shall not misappropriate or use the loan for fixed asset investment, equity investment, etc., or use the loan in fields and purposes of production or operation which are prohibited by the state, or in other activities inconsistent with the purposes of the working capital loan.

Article 2 Loan Interest Rate and Method of Interest Calculation

1. Unless otherwise specified in this Agreement, the loan interest hereunder shall be calculated based on the actual amount of loan drawn down and the number of days for which the loan is occupied from the date of the grant of the loan. The number of days for which the loan is occupied includes the first day and excludes the last day. Daily interest rate equals to monthly interest rate divided by 30, and monthly interest rate equals to annual interest rate divided by 12.

2. The Lender shall have the right to charge the Borrower penalty interest for any outstanding principal which becomes due ("due" for the purpose of this Agreement includes the case where the Lender declares the loan to be due early), for the period starting from the day when the outstanding principal of the loan becomes overdue until the day on which the Borrower discharges all of the principal and interest, in accordance with the actual number of days overdue and overdue interest rate agreed in this Agreement.

3. In the event that the Borrower uses the loan in breach of the purpose as agreed herein, the Lender shall have the right to charge the Borrower penalty interest in respect of the portion of the loan misused, calculated based on the penalty interest rate on misuse as agreed herein, from the day when such breach commences, for the actual number of days for which such breach lasts, until the Borrower discharges all of the principal and interest.

4. The Lender shall have the right to receive from the Borrower for interest not paid by the Borrower on time (which includes normal interest, overdue penalty interest and misuse penalty interest) a compound interest from the day when the same becomes overdue, which shall be calculated based on the overdue penalty interest rate as agreed herein for the actual number of days overdue.

5. Interest rate market paralysis

If there is no applicable LPR (applicable to RMB) or LIBOR/HIBOR/SIBOR (applicable to foreign currency) interest rate on the quotation date of the relevant interest period after the loan is granted under this Agreement, the Borrower shall negotiate with the Lender to determine an alternative interest rate; if no agreement can be reached within five (5) banking business days from the commencement of the negotiation, the Borrower shall repay the principal and interest of the loan in full within thirty (30) banking business days from the date of such failure to reach the agreement.

Article 3 Drawdown

1. Prior to the first drawdown, the Borrower shall fulfill the following conditions:

(1) The Borrower shall submit the drawdown application form (in the form attached as Annex I or Annex II hereto), the completed borrowing (lending) voucher and other related documents at the time and in the method of submission as agreed in this Agreement;

(2) This Agreement and related guarantee contract, if any, have been signed and remained valid, and the rights of the guarantee have been properly established;

(3) The Borrower shall provide its currently valid business license, articles of association, most recent financial statements from the drawdown date (including but not limited to the audited annual financial statement by a certified public accountant for the preceding year and the statements for the current period);

(4) The Borrower shall provide the resolution in respect of the loan approved by its board of directors or in shareholders' meeting or any other entity with the same legal status, authorization letter from the legal representative to authorized representatives, and original copy of sample signatures of the legal representative and authorized representatives;

(5) The Borrower has opened related accounts at the Lender's bank as requested by the Lender;

(6) The Borrower has fulfilled the obligations agreed in this Agreement, and no event of default as stipulated in this Agreement has occurred;

(7) Other documents or conditions as requested by the Lender.

2. Prior to each drawdown other than the first drawdown, the Borrower shall fulfill the following conditions:

(1) The Borrower shall submit the drawdown application form (in the form attached as Annex I or Annex II hereto), the completed borrowing (lending) voucher and other related documents at the time and in the method of submission as agreed in this Agreement;

(2) The representations and warranties made by the Borrower under this Agreement shall remain valid;

(3) The Borrower has fulfilled the obligations agreed under this Agreement, and no event of default as stipulated in this Agreement has occurred;

(4) Other documents or conditions as requested by the Lender.

3. Drawdown

(1) The Borrower shall make one-time drawdown or instalment drawdown in accordance with the drawdown plan as agreed under this Agreement, and submit the drawdown application form (in the form attached as Annex I or Annex II hereto) to the Lender three (3) banking business days prior to each drawdown date for the processing of drawdown procedure;

(2) In the event that a change of the drawdown date such as postponement is required by the Borrower, the Borrower shall obtain consent from the Lender three (3) banking business days prior to each drawdown date, and the Lender shall have the right to require the Borrower to pay the Lender the loss of interest income as a result of such change (loss of interest income = the interest the Lender should have earned from the loan deducted by the interest earned through savings over the same period);

(3) In the event that the Borrower requests to cancel all or part of the undrawn loan amount, such cancellation may be made only if the Borrower obtains the approval from the Lender by submitting an application to the Lender three (3) banking business days prior to the drawdown date or expiry of the drawdown period;

(4) In the event where the Borrower fails to lodge its application for drawdown or postponement of drawdown upon the expiry of the scheduled drawdown date or drawdown period, the Lender shall have the right to cancel the undrawn loan.

The Lender shall have the right to waive one or more of the above drawdown conditions without prejudice to any right of the Lender under this Agreement.

Article 4 Account Opening and Management

1. When signing this Agreement, the Borrower shall have opened a general settlement account and a fund collection account (see Part I of this Agreement) at the Lender's bank, as well as a special working capital loan account (if any) as agreed by both parties. The Borrower agrees that the Lender shall monitor the aforesaid accounts of the Borrower.

2. If no special working capital loan account is opened, the general settlement account will be used to account for the deposit and payment of loan fund that has been obtained by the Borrower from the Lender.

If a special working capital loan account is opened, the special working capital loan account will be used to account for the deposit and payment of loan fund that has been obtained by the Borrower from the Lender, and the funds in the account will bear interest as current deposits. The Borrower agrees that, for the special working capital loan account, in addition to the Borrower's seal reserved by the Lender, the special seal for the payment and supervision of loan fund of the Borrower shall also be reserved by the Lender. Without the written consent of the Lender, the Borrower shall not change the reserved seal of the special working capital loan account without authorization.

3. The Borrower confirms that the fund collection account is the income account and repayment reserve account under this Agreement. The Borrower's income cash flow or the Borrower's overall cash flow shall be deposited into the fund collection account.

The Borrower warrants that the balance in the Borrower's repayment reserve account shall not be less than the amount of principal and interest payable by the Borrower for the current period on each principal and interest repayment date under this Agreement and within three (3) days before the same. The Borrower agrees that on each principal and interest repayment date and within three (3) days before the same, the Lender shall have the right to restrict or refuse any of the Borrower's external payments that will cause the balance in the repayment reserve account to be lower than the principal and interest payable for the current period, so as to ensure that the balance in the repayment reserve account is sufficient to pay the principal and interest payable for the current period.

The Lender shall have the right to monitor the funds receiving account. In the event of any irregular cash movements in the fund collection account, the Lender shall have the rights to request the Borrower for explanations and take necessary measures.

Article 5 Payment Monitoring

1. The Borrower agrees that the Lender shall have the right to manage and control the payment of loan funds through entrusted payment by the Lender or/and direct payment by the Borrower, in order to supervise the purpose of usage of the loan as agreed in this Agreement.

Entrusted payment by the Lender means that the Lender pays the loan funds through the Borrower's account to the Borrower's transaction counterparties who meet the purposes as agreed in this Agreement according to the Borrower's drawdown application and payment entrustment.

Direct payment by the Borrower means that after the Lender deposits the loan funds to the Borrower's account according to the Borrower's drawdown application, the Borrower will independently pay them to the Borrower's transaction counterparties who meet the purposes as agreed in the Agreement.

2. The Borrower agrees that if the relationship between the Borrower and the Lender is a newly established credit-business relationship and the credit rating of the Borrower is average, or a single payment exceeds the amount as agreed in this Agreement (refer to Part I of this Agreement) and has a determinate payee, or for other cases as identified by the Lender, the method of entrusted payment by the Lender shall be used.

Where the method of entrusted payment by the Lender is used, the Lender shall have the right to review, according to the purpose of usage of the loan as agreed in this Agreement, whether the name of the payee, amount and other information on the payment application as provided by the Borrower are in conformity with relevant business contracts and related supporting documents. With the approval of the Lender after review, payments will be made by the Lender to the Borrower's transaction counterparties through the Borrower's bank account from the loan obtained.

3. The Borrower shall provide supporting materials as requested by the Lender when applying for making payments to external parties from the loan obtained, including but not limited to:

(1) Documents certifying that the purpose of payment is in accordance with the purpose as agreed in the Agreement;

(2) Business contracts and written documents that truthfully reflect the Borrower's payment obligations. For the expenses that must be paid without signing a contract, the charge policy and standard approved by the competent authorities shall be provided;

(3) Relevant invoices or receipts, and if such invoices or receipts cannot be obtained at the time of payment, the Borrower shall promptly submit the corresponding invoices or receipts for the use of funds after the completion of payment;

(4) Legally valid payment vouchers;

(5) Other documents required by the Lender.

The Lender shall have the right to waive one or more of the above supporting materials without prejudice to any right of the Lender under this Agreement.

4. In case where a special working capital loan account is not opened, the Borrower shall submit the drawdown application form (in the form attached as Annex I hereto) to the Lender three (3) banking business days prior to the proposed drawdown date, and shall indicate whether the Borrower intends to use the entrusted payment method or direct payment method. The Borrower confirms that the Lender shall have the right to review whether the relevant documents comply with the payment conditions as stipulated under this Agreement or not, and have the right to decide which payment method the Borrower should adopt for the loan that is drawn down.

In case where a special working capital loan account is opened, and when the entrusted payment method is used, the Borrower shall submit a payment application form (in the form attached as Annex III hereto) affixed with the Borrower's reserved seal for the special working capital loan account to the Lender three (3) banking business days prior to the proposed payment day. The Lender shall have the right to review whether the relevant materials comply with the payment conditions as stipulated under this Agreement. If the Lender approves, then the payment voucher shall be affixed with the special seal for the payment and supervision of loan fund to make external payments. When the direct payment method is used, the Borrower shall submit the payment application form (in the form attached as Annex III hereto) and related materials to the Lender three (3) banking business days prior to the proposed payment day. The Lender shall have the right to review whether the relevant materials comply with the payment conditions as stipulated under this Agreement. If the Lender approves, the Borrower is required to complete payment voucher (the amount of each summary payment voucher must not exceed the loan amount that the Lender is entrusted to pay under this Agreement). After the review, the Lender will affix the summary payment voucher with the special seal for the payment and supervision of loan fund and the corresponding fund will be transferred to the Borrower's general settlement account.

5. In the case that the method of direct payment by the Borrower is used, the Borrower shall summarize and report to the Lender the details of direct payments from the loan obtained on a monthly basis. The Lender shall have the right to verify whether the payments of loan fund made by the Borrower comply with the purpose and payment method as agreed in this Agreement in the manners of account analysis, voucher inspections and on-site investigations, etc.

6. The Borrower confirms that the Borrower shall pay to the Lender any remittance fee that may be incurred due to the payment of loan fund. At the time when such remittance fee is incurred, the Lender shall the right to deduct and collect the actual amount of remittance fee.

7. In the case that the Borrower is under any of the following circumstances, the Lender shall have the right to request the Borrower, during the course of deposit and payment of the loan, to provide additional conditions for the drawdown and payment, or to change the way of paying the loan or cease the deposit and payment of the loan:

- (1) Deterioration of the credit status;
- (2) Weak profitability of principal business;
- (3) Abnormal usage of the loan under this Agreement.

Article 6 Repayment

1. The Borrower shall timely and fully repay the principal, interest and relevant expenses of the loan according to the repayment plan agreed in this Agreement. The Borrower hereby irrevocably authorizes the Lender to actively deduct the above amount from its account that is opened with the Lender on the maturity date of the loan or when the conditions agreed in this Agreement have been met to realize the creditor rights of the Lender.

2. If the Borrower repays the loan early, it shall submit a written application to the Lender and obtain the written consent of the Lender before the tenth (10th) banking business day before the expected repayment date. Without the prior written consent of the Lender, the Borrower shall still repay the principal and interest according to the term and interest rate agreed in this Agreement.

The prepayment agreed by the Lender shall be deemed as loan having become due early. In such case, the Lender shall also have the right to require the Borrower to pay certain liquidated damages in accordance with this Agreement (see Part I of the Agreement).

In case of early repayment of the loan, the interest shall be calculated according to the actual number of days in which the loan has been used by the Borrower and shall be repaid together with its principal. The principal amount of early repayment shall not be less than the limit as agreed in Part I of this Agreement. The principal amount repaid by it shall be offset against the loan principal in the reverse order of the repayment plan agreed in this Agreement.

3. If the Borrower is unable to make repayments as scheduled for a good cause, it shall apply to the Lender for loan extension before the thirtieth (30th) banking business day of the repayment period as agreed in this Agreement and prepare necessary materials to go through relevant extension procedures. If the loan under this Agreement is guaranteed, mortgaged or pledged, the guarantor, mortgagor and pledgor shall also issue a written consent certificate. The Lender shall decide whether to agree to the extension. If the Borrower does not apply for extension or the application for extension is not approved by the Lender, the loan shall be converted into overdue loan from the date immediately following its maturity date.

4. The Borrower shall not draw down or use any loan fund that has been repaid again.

Article 7 Representations and Warranties

The Borrower makes the following representations and warranties to the Lender, which are made at the time of signing this Agreement and remain valid during the term of this Agreement.

1. The Borrower is an enterprise (institution) legal person or other economic organization established in accordance with its applicable laws, with independent legal personality, complete financial system and repayment ability, and has the right to enter into and perform this Agreement according to laws.

2. The Borrower has the right to enter into this Agreement and has completed all authorizations and approvals of the shareholders, the board of directors or other competent authorities necessary for entering into this Agreement and performing its obligations under this Agreement. All terms of this Agreement are the true intention of the Borrower and are legally binding on the Borrower.

3. The execution and performance of this Agreement will not violate the laws that the Borrower shall abide by (the laws under this Agreement include the laws, regulations, rules, local regulations, judicial interpretations, etc. that the Borrower shall abide by, the same below), the relevant documents, judgments and rulings of the competent authorities, nor contravene the articles of association of the Borrower, any contract or agreement the Borrower has entered into or any other obligations undertaken by the Borrower.

4. The Borrower warrants that all financial statements (if any) issued by it comply with the provisions of applicable laws and that such statements truly, completely and fairly reflect the financial conditions of the Borrower.

5. In the process of signing and performing this Agreement, the Borrower abides by the principle of honesty and trustworthiness, and all materials, documents and information (including but not limited to business license, project approval documents, feasibility study report, self-raised funds implementation certificate, financial statements, etc.) provided to the Lender, including itself and the guarantor, are true, valid, accurate, complete without any concealment or omission.

6. The Borrower warrants that it will complete the filing, registration or other procedures required for the effectiveness and legal performance of this Agreement.

7. Since the issuance of the most recent audited financial statements, there has been no material adverse change in the Borrower's operating or financial conditions.

8. In business activities, it will strictly abide by laws and regulations, carry out various businesses in strict accordance with the provisions of the Borrower's business license or the business scope approved according to laws, go through the registration and annual inspection procedures on time, engage in the production and operation in accordance with laws and regulations, have the ability to continue as a going concern and have a legal source of repayment.

9. It will not waive any creditor's right that has become due, nor dispose of the existing main property free of charge or in other inappropriate ways.

10. The Borrower has disclosed to the Lender all facts and circumstances that the former knows or should have known and that are important for the latter to decide whether to grant the loan hereunder (including but not limited to business status, financial conditions, external guarantees, etc.).

11. The Borrower warrants that it is in good standing without any materially poor record.

12. The Borrower warrants that there are no other circumstances or events that have or may have a material adverse impact on the Borrower's performance ability.

Article 8 Agreed Matters

The Borrower and the Lender agree as follows:

1. The Borrower undertakes that its business activities are operated under legal regulations and the loan obtained under this Agreement will be used for purpose as agreed in this Agreement and not for other purpose. The Borrower shall, as required by the Lender, provide relevant financial materials to the Lender regularly, which include monthly and annual financial statements, and to actively cooperate with the Lender in monitoring the usage of the loan and the operational status of business activities. The Lender shall, at any time, have the right to carry out inspection and monitoring on the usage of the loan.

2. The Borrower shall repay the principal and interest under this Agreement, based on the timing, amount, currency and interest rate stipulated under this Agreement, application forms and borrowing (lending) vouchers.

3. The Borrower undertakes that, in case of any events which will or may have a material adverse impact on the financial conditions of the guarantor or its capacity to perform the obligations as a guarantor under this Agreement, it shall provide other new guarantees that are recognized by the Lender promptly.

4. The Borrower undertakes that, prior to receipt of written consent from the Lender, none of the following actions will be taken:

(1) transferring (including selling, gifting, offsetting, exchanging), mortgaging, pledging or otherwise disposing of all or substantial part of its material assets;

(2) contracting, joint operations, external major investment, change in actual controller or major shareholder, share capital reform, merger (acquisition), joint venture (cooperation), sub-division, transfer of shares, practical increase in debt financing, set up of subsidiary, transfer of property rights, deduction in capital, suspension of operation, dissolution, filing for bankruptcy, reorganization and other actions that may have potential impact on the repayment ability of the Borrower;

(3) providing guarantees for third parties, and, as a consequence thereof, having a material adverse impact on financial conditions of the Borrower or its ability to fulfill the obligations under this Agreement;

(4) early settlement of other long-term debts and, as a consequence thereof, having a material adverse impact on the ability of the Borrower to fulfill the obligations under this Agreement;

(5) entering into contracts/agreements which have a material adverse impact on the ability of the Borrower to fulfill its obligations herein or assuming relevant obligations with same implications.

5. The Borrower undertakes that, in the event of the following events, the Borrower shall notify the Lender immediately on the day when such event occurs and ensure that the original copy of the relevant notice (affixed with common seal) is served on the Lender within five (5) banking business days after the event occurs:

(1) The occurrence of events which result in untruth, inaccuracy or invalidation on the representations and warranties made by the Borrower under this Agreement;

(2) The Borrower or its controlling shareholders, actual controller or its related parties are involved in litigation or arbitration, or their assets are subject to seizure, attachment, freezing, enforcement or other measures of the same effect, or their legal representatives/persons in charge, are involved in litigation, arbitration or subject to other forcible measures;

(3) Changes of the legal representative or authorized representative, person in charge, main person in charge of financial affairs, or correspondence address, name of the enterprise, and place of office of the Borrower;

(4) Petition for restructuring or bankruptcy is filed by other creditors or revocation by higher-level authorities;

(5) Occurrence of other materially adverse events that may have negative impact on the repayment ability of the Borrower.

6. The Borrower warrants that it shall not breach the normal repayment order to settle full and early repayment of other loans, and shall not enter into any contract or agreement, at present and in the future, that would result in the subordination of the loan under this Agreement.

7. The Borrower shall make every effort to settle the principal and interest with the same currency of the loan under this Agreement. Under the circumstance where the principal and interest are settled in different currency, the Borrower shall voluntarily or authorize the Lender to convert the principal and interest repaid, which denominated in different currency, to the currency of the loan obtained under this Agreement according to the exchange method specified under the "Stipulations on Deductions" hereof, with all the expenses and costs arising therefrom to be borne by the Borrower. Under the circumstance where the guarantor settles the repayment of the loan on behalf of the Borrower in different currency, all the expenses and costs arising therefrom shall be borne by the Borrower, in accordance with the "Stipulations on Deductions" under the Guarantee Contract.

8. In the event where any specific circumstance or change in connection with the guarantee hereunder occurs, the Borrower shall, at the request of Lender, provide other guarantees that are recognized by the Lender. The specific circumstances or specific changes abovementioned include but are not limited to suspension of production, termination of business, dissolution, suspension of business for internal rectification, revocation or deregistration of business license, applying or being applied for restructuring, bankruptcy, significant changes in operating or financial conditions, involved in material litigation or arbitration cases, involved in litigations by legal representative, director, supervisor and key management, the decrease or possible decrease in the value of the assets pledged or such assets being imposed of the property preservation measures such as attachment, breaches under the Guarantee Contract and request for lifting of the Guarantee Contract, by the Guarantor.

9. The Lender shall have the right to carry out onsite or offsite due diligence on the Borrower and carry out inspection on the operating and financial conditions, external guarantees, usage and repayment status of the loan, etc., after the loan has been drawn down by the Borrower. The Borrower shall have the obligation to actively cooperate with the Lender in monitoring payment management, post-drawdown management and relevant inspections.

10. The Lender shall have the right to early withdraw the loan under this Agreement from the Borrower in view of the fund collection status of the Borrower.

11. Special agreements on group customers (applicable to group customers).

If the Borrower of this Agreement is a group customer, the Borrower hereby undertakes that:

(1) the Borrower shall timely report the related party transactions of more than 10% of the net assets of the actual credit grantee, including: (i) the related party relationships of all parties to the transaction; (ii) items and nature of the transaction; (iii) the amount of the transaction or the corresponding proportion; (iv) pricing policy (including transactions with no amount or only nominal amount).

(2) If the actual credit grantee has the following circumstances, it shall be deemed that the Borrower has breached the Agreement, and the Lender has the right to unilaterally decide to cancel the unused credit of the customer, recover part or all of the used credit, or require the customer to increase the margin to 100%: (i) providing false materials or concealing important business financial facts; (ii) changing the original purpose of the credit without the consent of the Lender, misappropriating the credit or using the bank credit to engage in illegal and illegal transactions; (iii) taking advantage of false contracts with related parties to obtain bank funds or credit by discounting or pledging creditor's rights such as notes receivable and accounts receivable without actual trade background; (iv) refusing to accept the Lender's supervision and inspection of its use of credit funds and relevant business and financial activities; (v) in case of major merger, acquisition and reorganization, the Lender believes that it may affect the credit security; (vi) intentionally evading bank creditor's rights through related party transactions.

12. Special warranties, commitments and agreements on green credit (applicable to a Borrower whose construction, production and operation activities of nuclear power plants, large hydropower stations, water conservancy projects, resource extraction projects, etc. may seriously change the original state of the environment and the resulting adverse environmental and social consequences are not easy to be eliminated, as well as whose construction, production and operation activities of petroleum processing, coking and nuclear fuel processing, chemical raw materials and chemical products manufacturing, etc. will have adverse environmental and social consequences but such consequences are easy to be eliminated by taking mitigation measures):

(1) the Borrower declares and warrants to manage environmental and social risks, including: (i) the internal management documents related to environmental and social risks comply with the requirements of laws and regulations and are effectively implemented; (ii) there are no major litigation cases involving environmental and social risks;

(2) The Borrower commits to accept the supervision of the Lender and strengthen the management of environmental and social risks, including: (i) commitment of the compliance of all behaviors and performances related to environmental and social risks; (ii) commitment to establish and improve the internal management regulations of environmental and social risks, and specify the responsibilities, obligations and punishment measures of relevant responsible persons of the Borrower; (iii) commitment to establish and improve the emergency mechanism and measures for environmental and social risk emergencies; (iv) commitment to establish a special department and/or designate a person dedicated to be responsible for matters in relation to environmental and social risks; (v) commitment to cooperate with the Lender or its recognized third party in the assessment and inspection of the Borrower's environmental and social risks; (vi) commitment to give appropriate responses or take other necessary actions with respect to strong doubts from the public or other stakeholders about the Borrower's performance in controlling environmental and social risks; (vii) commitment to cause the essential related parties of the Borrower to strengthen their management to prevent the infection of environmental and social risks from the related parties to the Borrower; (viii) commitment to implement other matters that the Lender considers relevant to the control of environmental and social risks;

(3) The Borrower undertakes to promptly and fully inform the Lender after the occurrence of any of the following circumstances: (i) various permits, approvals and consents related to environmental and social risks in the process of commencement, construction, operation and shutdown; (ii) assessment and inspection of the Borrower's environmental and social risks by the environmental and social risk regulatory authority or its recognized institutions; (iii) construction and operation of supporting environmental facilities; (iv) discharge and compliance of pollutants; (v) safety and health of employees; (vi) major complaints and protests against the Borrower by neighboring communities; (vii) major environmental and social claims; (viii) other matters the Lender considers relevant to environmental and social risks;

(4) If the Borrower and the actual credit grantee have any of the following circumstances, it shall be deemed that the Borrower has an event of default under this Agreement: (i) any of the Borrower's representations, warranties or undertakings on the management of environmental and social risks has not been seriously performed; (ii) the Borrower is punished by relevant government authorities due to its poor management of environmental and social risks; (iii) the Borrower is strongly questioned by the public and/or the media due to its poor management of environmental and social risks; (iv) other events of default as agreed by the Lender and the Borrower relevant to the management of environmental and social risks, including events of cross default;

In case of any of the above events of default of the Borrower, the Lender shall have the right to unilaterally decide to: (i) cancel the credit commitment that has been already made; (ii) suspend the disbursement of the loan until the Borrower takes corrective measures satisfactory to the Lender; (iii) recover the disbursed loan in advance; (iv) when the loan cannot be repaid, exercise relevant rights in relation to mortgage and pledge and other punishment measures in advance; (v) other punishment measures as agreed by the Lender and the Borrower.

13. With respect to the anti-money laundering agreement, the Borrower confirms and agrees that the Lender shall have the right to conduct the money laundering risk assessment on the transactions involved under this Agreement in accordance with the applicable anti-money laundering laws and regulations and internal management requirements, and when the Lender has reasonable reasons to suspect that the Borrower and/or the transactions under this Agreement are suspected of participating in money laundering, terrorist financing or (weapons of mass destruction) financing activities, or tax evasion and other unlawful activities as defined by the UN Security Council, the FATF, China, United States, the European Union and any other international organizations or countries, the Lender shall have the right to take necessary control measures in accordance with the anti-money laundering regulations of the People's Bank of China. At the same time, the Lender shall have the right to directly restrict and suspend all or part of the business under this Agreement without notifying the Borrower, announce the early maturity of the loan, terminate this Agreement, and require the Borrower to be liable for all losses caused to the Lender.

14. **The Borrower agrees and irrevocably authorizes that subject to the prohibitive provisions of the Regulations on the Administration of Credit Investigation Industry and relevant laws and regulations, the Lender shall have the right to provide the information about all contracts/agreements/commitments signed between the Borrower and the Lender in accordance with the collection requirements of the basic financial credit information database established by the state, including the information on the performance of all of the above contracts/agreements/commitments, as well as the basic enterprise information and other information provided by the Borrower, to the basic financial credit information database established by the state for inquiry and use by qualified entities. At the same time, the Lender shall also have the right to inquire and use the credit information about the Borrower in the basic financial credit information database established by the state. Such authorization covers all stages of the Lender's necessary management of the business under this Agreement before and after the signing of this Agreement, and the validity period will expire with the actual termination of this Agreement.**

15. The Borrower hereby confirms that it has fully understood and known the Lender's position prohibiting its employees from seeking benefits in any form by taking advantage of their positions and undertakes to avoid such situations in accordance with the principle of integrity and fairness, and will not provide any form of rebates, gifts, securities, valuables, various incentives, personal reimbursement of expenses, private tourism, high-cost entertainment or any other improper interests to employees of the Lender.

Article 9 Stipulations on Deductions

1. **The Borrower agrees that the Lender shall have the right to directly deduct and collect the funds from the repayment reserve account opened by the Borrower with Shanghai Pudong Development Bank Co., Ltd. to settle any due and payable debts, upon the due date of such outstanding debts under this Agreement. In the event where there is insufficient balance in the repayment reserve account for the repayment of the debts, the Lender shall have the right to deduct and collect the funds from any other account opened by the Borrower with any branch of Shanghai Pudong Development Bank Co., Ltd.**

2. **The Lender shall have the right to apply the proceeds deducted from the Borrower's accounts to the settlement of the outstanding principal, interest or any other expenses of the loan. If there are multiple claims that become due and unpaid at the same time, the Lender shall determine the order of discharging such claims.**

3. The following ways shall be applied when the currency obtained from deduction from the Borrower's accounts differs from the currency of amount required for the settlement:

(1) In the case that the currency of the loan is RMB, the amount deducted from the Borrower's bank accounts will be converted into RMB from their original currencies at the bidding price of relevant exchange rates published on the day of the fund deduction by the Lender and then used to settle the outstanding principal and interest.

(2) In the case that the currency of the loan is non-RMB, and the fund deducted from the Borrower's bank accounts is RMB, the fund deducted will be converted from RMB to the currency in which the loan is denominated at the asking price of relevant exchange rates published on the day of the fund reduction by the Lender and then used to settle the outstanding principal and interest.

(3) In the case that the currency of the loan and the fund deducted from the Borrower's bank accounts are different and not denominated in RMB, the fund deducted will be first converted into RMB at the bidding price of relevant exchange rates published on the date of the fund deduction, then converted to the currency in which the loan is denominated at the asking price of relevant exchange rates published on the same date by the Lender and then used to settle the outstanding principal and interest.

Article 10 Proof of Debts

The Lender, in accordance with its usual business practice, maintains accounting ledgers for the business activities related to this Agreement on its accounting records for proof of the loan amount due to the Lender. The Borrower recognizes that the accounting vouchers or other valid proof issued and recorded by the Lender according to its business practices constitute valid proof of its loan obligations under this Agreement.

Article 11 Agreed Address for Service

1. The Lender confirms that the address listed on the first page of this Agreement is its effective address of service. The notice sent by the Borrower to the Lender directly or by mail under this Agreement shall be sent to the address listed on the first page of this Agreement until the Lender announces the change of such address. The Borrower agrees that all notices it sends to the Lender shall be deemed to have been served when actually received by the Lender.

2. **The Borrower confirms that the address, fax, e-mail and other service information listed on the first page of this Agreement are its valid mailing address or address for electronic service. All kinds of non-litigation notices and other documents under this Agreement, as well as letters, subpoenas, notices and other legal documents issued to them in the process of any litigation (including any litigation procedures and execution procedures such as first instance, second instance and retrial) arising from this Agreement, as long as they are mailed or sent by fax, e-mail and other electronic service methods, they shall be deemed to have been served when they are sent to the mailing address or address for electronic service listed on the first page of this Agreement, and the specific service date shall be subject to the provisions on service date in the Civil Procedure Law. Any change to the above mailing address or address for electronic service shall not have legal effect unless notified to the Lender in advance, and the address for service confirmed in this Agreement shall still be deemed as a valid address for service.**

Article 12 Events of Default and Handling

1. Events of default

Any of the following events shall constitute a default on the part of the Borrower to the Lender:

(1) Any representation and warranty made by the Borrower in this Agreement, or any notice, authorization, approval, consent, certificate and other documents provided by the Borrower pursuant to or in connection with this Agreement are inaccurate or misleading, or are proved to be inaccurate or misleading, or are proved to be void or rescinded or have no legal effect, at the time of being made by the Borrower.

- (2) Any breach of the "Other matters agreed by both parties", if any, in Part I of this Agreement or any agreed matter in Article 8 in Part II of this Agreement by the Borrower.
- (3) Any major event of cross default on the part of the Borrower, including but not limited to breaches of other loan contracts, agreements entered into by the Borrower; or default in repayment of debts when due under other loan contracts, agreements entered into by the Borrower.
- (4) Embezzlement of funds, transfer of assets or sale of shares without authorization by investors of the Borrower.
- (5) The guarantor fails or will fail to act in the capacity of a guarantor for the loan, or is or will be in breach of the signed guarantee document.
- (6) The suspension of business, suspension of production, closure of business, suspension of business for internal rectification, restructuring, liquidation, being placed in receivership or conservatorship, dissolution, revocation or cancellation of business license, or bankruptcy of the Borrower.
- (7) Deterioration of financial conditions of the Borrower or the guarantor, encountering great difficulties in operations, or an event or situation which has adverse impact on their normal operations, financial conditions or solvency.
- (8) The Borrower or its controlling shareholders, actual controller or its related parties are involved in major litigation or arbitration, or their assets are subject to seizure, attachment, freezing, enforcement or other measures of the same effect, or their legal representative/person in charge, directors, supervisors, or senior management are involved in litigation, arbitration or subject to other forcible measures, which may have adverse impact on the solvency of the Borrower.
- (9) Failure to pay the principal and interest as scheduled or utilize the loan for purposes as agreed in this Agreement.
- (10) Failure to make payments of the loan obtained hereunder with agreed methods.
- (11) Provision of false or misleading documents and information for the application of the loan.
- (12) Failure to meet or exceed beyond the relevant financial indicators as agreed under this Agreement.
- (13) On any date of paying the principal and interest under this Agreement and within three (3) days before the same, the balance in the repayment reserve account is lower than the amount of principal and interest payable by the Borrower for the current period.
- (14) Unusual movements of fund flows in the general settlement account/fund collection account.

(15) The Borrower engages in activities which are in breach of this Agreement and will hinder the normal execution of this Agreement or other activities which will impair the normal interests of the Lender.

2. Handling of default

(1) If any one or more of the above events of default occur, the Lender may, at its sole discretion, take one or more of the following measures:

i) Request the Borrower to rectify within a defined period of time.

ii) Cancel any unused loan of the Borrower, stop depositing or making payments from unused loan balance granted to the Borrower.

iii) Declare all or part of the loan principal granted under this Agreement becomes due in advance immediately, and request immediate repayment of all or part of the loan, settlement of outstanding interest, and seek recourse from the guarantor or Borrower in any and all means.

iv) Collect penalty interest on overdue loan principal and/or misappropriated loan portion at compound interest rate.

v) Directly deduct and collect funds from any bank account opened by the Borrower with any branch of the Shanghai Pudong Development Bank Co., Ltd.

vi) Request the Borrower to supplement additional conditions to issuance and payment of the loan, or change the methods of payment of the loan.

vii) Request the Borrower to provide other guarantees recognized by the Lender.

viii) Other necessary measures as provided for in the laws.

(2) In addition to the above measures, the Lender may further request the Borrower to be liable for defaulting liabilities and to pay liquidated damages (refer to Part I of this Agreement for the calculation of liquidated damages). Where the liquidated damages are insufficient to cover losses suffered by the Lender, the Borrower shall indemnify the Lender against all losses resulting therefrom.

(3) The Borrower shall also bear all expenses paid by the Lender in connection with the Lender's realization of debts and guarantee rights if it fails to repay the principal or pay the interest in full and on time, including but not limited to debt chasing expenses, litigation charges, attorneys' fees, travelling expenses and all other fees payable.

Article 13 Effectiveness, Modification and Rescission

1. This Agreement shall become effective after the Borrower has affixed the signature (or seal) of its legal representative or his/her authorized agent and its common seal and the Lender has affixed the signature (or seal) of its legal representative (person in charge) or his/her authorized agent and its common seal (or special contract seal) and shall be terminated when all the debts under this Agreement are fully discharged.

2. After this Agreement becomes effective, neither party to this Agreement is permitted to modify or rescind this Agreement early. Where any modification or rescission is required for this Agreement, both parties shall reach an agreement on the same through negotiation and evidenced by written agreement.

Article 14 Other Provisions

1. Definitions

(1) "All the debts" under this Agreement shall mean the loan principal, interest, liquidated damages and various expenses for the realization of the debts.

(2) "Interest" under this Agreement shall include interest, penalty interest and compound interest.

(3) "Banking business day" under this Agreement shall mean the general open days for public business at the Lender's place of residence, excluding Saturday, Sunday (except for any day open to the public due to holiday adjustment) and other public holidays provided by laws.

2. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China (for the purpose of this Agreement, excluding the laws of Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region).

3. Dispute Resolution

Any and all disputes arising from this Agreement shall be resolved through friendly negotiation. In the case that such agreement cannot be reached, the dispute shall be referred to a people's court in the place where the Lender is located. During the period of dispute, the parties shall continue to comply with the undisputed provisions of this Agreement.

4. Miscellaneous

(1) Any matter uncovered in this Agreement may be agreed by both parties hereto and recorded in Part I of this Agreement or in a separate written agreement which will become an annex to this Agreement. The annexes to this Agreement (see Part I of this Agreement) are an integral part of this Agreement and shall have the same legal effect as the main text of this Agreement.

(2) During the term of this Agreement, the Lender's grant of a period of grace or delay in action in connection to any default or other actions by the Borrower shall not impair, influence or restrict any and all rights or interests of the Lender in accordance with laws or with regards to this Agreement, neither can be taken as the Lender's recognition of such event of default by the Borrower, nor can be deemed as the Lender's waiver of its rights to take actions against the Borrower's current or future defaults.

(3) The invalidity of any terms in this Agreement shall not affect the validity of other terms of this Agreement. The Borrower shall be liable for the repayment of all of the debts owed to the Lender under this Agreement, regardless of reasons resulting in the invalidity of this Agreement. In case of the aforesaid event, the Lender shall have the right to terminate the execution of this Agreement immediately and may seek for repayment of all the outstanding debts under this Agreement from the Borrower.

(4) The Lender may transfer all or part of the rights and/or obligations under this Agreement, and under such circumstance, the transferee shall have the same rights and/or obligations to the Borrower as if it was a party to this Agreement. The Borrower shall be liable to the transferee as agreed in this Agreement after its receipt of the notice from the Lender with regards to the transfer of debts.

(5) Unless otherwise stated herein, the relevant terms and expressions in the annexes to this Agreement have the same meaning as those contained in this Agreement.

(6) The headings in this Agreement are for ease of reference only and shall not be regarded as the basis of interpretation of the content under that heading.

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This Agreement is signed by the Borrower and the Lender as indicated below on April 16, 2021. The Borrower acknowledges that, at the time of signing this Agreement, both parties have explained and discussed all of the terms and conditions in details. Both parties have no doubt on any of the terms and conditions herein and have an accurate understanding of the legal implications of the terms and conditions with respect to the rights and obligations, restrictions of liability or exclusion provisions of the parties.

The Borrower

AURORA MOBILE LIMITED

By: /s/ Weidong Luo

Name: Weidong Luo

Title: Legal Representative or Authorized Agent

The Lender

**SHANGHAI PUDONG DEVELOPMENT BANK CO.,
LTD. SHENZHEN BRANCH**

By: /s/ Tianshou Wang

Name: Tianshou Wang

Title: Legal Representative / Person in Charge or
Authorized Agent