



claims of investors who purchased or acquired Cloopen ADSs pursuant or traceable to the Offering Documents and/or during the Class Period.

- The Settlement represents an average recovery of more than \$0.48 per Cloopen ADS for the roughly 24.8 million estimated Cloopen ADSs that Plaintiffs allege were damaged and declined in value as a result of Defendants’ alleged misconduct during the Class Period. An ADS may have traded more than once during the Class Period. This estimate reflects only the average recovery per outstanding Cloopen ADS. It is not an estimate of the actual recovery per ADS you should expect. Your actual recovery will depend on the aggregate losses of all Settlement Class Members, the date(s) you purchased (or acquired) and sold Cloopen ADSs, the purchase (or acquisition) and sales prices, and the total number of claims filed. *See* Plan of Allocation below for more detail.
- To claim your share of the Settlement, you must submit a valid Proof of Claim and Release Form (“Proof of Claim” or “Claim Form”) **by February 14, 2024**.
- Plaintiffs’ Counsel (defined below) will submit a Fee and Expense Application – covering all attorneys’ fees and expenses in both Actions – asking the Court for an award of attorneys’ fees of up to one-third of the Settlement Fund and payment of up to \$275,000 in litigation expenses. Plaintiffs’ Counsel have expended considerable time and effort litigating the claims at issue on a fully contingent-fee basis, and have advanced all litigation expenses, in the expectation that if they succeeded in obtaining a recovery for the Settlement Class, they would be paid from such recovery. The Fee and Expense Application may also include a request for up to an aggregate total of \$15,000 in awards to the two Plaintiffs for their service to the Settlement Class.
- The Court has not yet approved the Settlement. Payments on valid claims will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- Your legal rights are affected whether or not you act. Please read this Notice carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM</b>	The only way to get a payment is to submit a valid Proof of Claim. Proofs of Claim must be postmarked or submitted online <b>by February 14, 2024</b> . <i>See</i> response to question 11 below.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS</b>	You will receive no payment if you exclude yourself from the Settlement. However, this is the only option that allows you to ever be part of any other lawsuit against the Defendants or any of the other Released Defendants’ Parties regarding the legal claims in this case. Requests for Exclusion must be received <b>by December 26, 2023</b> . <i>See</i> response to question 14 below.
<b>OBJECT</b>	You may write to the State Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys’ fees, costs, and expenses. You will still be a member of the Settlement Class even if you file an objection. Objections must be received by Counsel and the State Court <b>by January 2, 2024</b> . <i>See</i> response to question 19 below.
<b>GO TO THE HEARING</b>	You may ask to speak during the Settlement Hearing before the State Court about the fairness of the Settlement, the Plan of Allocation, and/or the request for attorneys’ fees, costs, and expenses. Requests to speak must be received by Counsel <b>by January 2, 2024</b> . The Settlement Hearing is scheduled for <b>January 23, 2024</b> , but please check the settlement website and/or with Plaintiffs’ Counsel before attending to confirm that hearing date. <i>See</i> responses to questions 21-23 below.
<b>DO NOTHING</b>	If you do nothing, you will not receive any payment and you will not be able to ever be part of any other potential lawsuit against the Defendants or any other Released Defendants’ Parties regarding the legal claims in this case.

## INQUIRIES

**Please do not contact either the State Court or the Federal Court regarding this Notice.** All inquiries concerning this Notice, the Proof of Claim and Release Form, or any other questions by Settlement Class Members should be directed to the Court-appointed Claims Administrator, A.B. Data, Ltd., or to one of the below-listed Counsel:

<b>Claims Administrator</b> Cloopen Securities Litig. c/o A.B. Data, Ltd. P.O. Box 173025 Milwaukee, WI 53217 Tel: (866) 778-9470 Email: info@cloopensecuritieslitigation.com	<b>Plaintiffs' Counsel</b> Max R. Schwartz, Esq. Scott+Scott Attorneys at Law LLP 230 Park Avenue, 17th Floor New York, NY 10169 Tel: (800) 404-7770 Email: mschwartz@scott-scott.com  Michael Dell'Angelo, Esq. Berger Montague PC 1818 Market Street, Suite 3600 Philadelphia, PA 19103 Tel: (215) 875-3000 Email: mdellangelo@bm.net	<b>Defendant Cloopen's Counsel</b> Sheryl Shapiro Bassin, Esq. Wilson Sonsini Goodrich & Rosati, P.C. 1301 Avenue of the Americas, 40 <sup>th</sup> Floor New York, NY 10019 Tel: (212) 999-5800 Email: sbassin@wsgr.com
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## BASIC INFORMATION

### 1. Why did I get this Notice?

You or someone in your family may have purchased or otherwise acquired Cloopen ADSs between February 9, 2021 and May 10, 2021, inclusive (the "Class Period").

### 2. What are the Actions about?

The proposed settlement will resolve all claims asserted in the State Action and the Federal Action (*see* page 1 of this Notice), which were both brought on behalf of a substantively identical class of Cloopen investors. The State and Federal Actions principally allege that Defendants violated certain federal securities laws by making alleged misstatements and/or omissions of material fact in the Offering Documents for Cloopen's IPO, which concerned (a) the drop in Cloopen's dollar-based net customer retention rate prior to the IPO; and (b) the increase in Cloopen's warrant liabilities prior to the IPO. Defendants deny all allegations of wrongdoing and liability asserted in the Actions.

### 3. What has happened so far in the Actions?

After the State Action was filed on April 19, 2021, State Plaintiff filed a Consolidated Complaint (the "State Complaint") on October 2021, asserting claims under §§11, 12, and 15 of the Securities Act of 1933 (the "1933 Act") on behalf of a putative class of all those who purchased or otherwise acquired Cloopen ADSs pursuant or traceable to Cloopen's IPO. On December 3, 2021, the Defendants who were served in the State Action moved to dismiss the State Complaint. After briefing and oral argument, on August 10, 2022, the Court issued an opinion denying the Motions to Dismiss in their entirety (the "MTD Order"). Defendants did not appeal the MTD Order. In the fall of 2022, the State Plaintiff commenced discovery by serving document requests on certain Defendants. Thereafter, those Defendants began producing documents responsive to those requests. Those Defendants also served document requests on the State Plaintiff, who completed producing documents responsive by November 2022. In parallel, on September 8, 2022, State Plaintiff filed his Motion for Class Certification. On December 5, 2022, the parties stipulated to class certification with respect to violations of §§11 and 15 of the Securities Act. On April 11, 2023, the Court entered an order certifying the stipulated-to class.

Meanwhile, after the Federal Action was filed on December 10, 2021, and Guozhang Wang was appointed Lead Federal Plaintiff on April 7, 2022. Shortly thereafter, on May 31, 2022, Federal Plaintiff filed an Amended Complaint, asserting claims under both §§11 and 15 of the 1933 Act and §10(b) of the Exchange Act of 1934 (the "1934 Act") on behalf of a substantively similar putative class as alleged in the State Action. On July 15, 2022, Cloopen moved to dismiss that complaint and certain other Defendants joined in the Motion. After briefing, on March 16, 2023, the Court issued an opinion denying the Motion to Dismiss in its entirety.

While continuing to litigate the Actions, in December 2022 the parties retained an independent and experienced mediator, Robert Meyer, Esq. (the "Mediator"), to explore the possibility of a settlement. Following a mediation and extended negotiations, while the parties were litigating the Actions, Plaintiffs and Defendants ultimately agreed to accept a "mediator's proposal" to settle all claims at issue for US \$12,000,000 in cash. *See also* Response to Question 5 below ("Why is there a settlement?").

#### **4. Why is this a class action?**

In a class action, one or more persons called “plaintiffs” sue on behalf of all persons who have similar claims. All of the persons with similar claims are referred to as a “class.” One court resolves the issues for all class members, except for those who exclude themselves from the class.

#### **5. Why is there a settlement?**

The Court has not decided the claims at issue in favor of Plaintiffs or Defendants. Instead, after lengthy negotiations conducted under the auspices of the neutral and highly experienced Mediator, the Plaintiffs and the Defendants agreed to a negotiated settlement based on the Mediator’s proposed terms. The Settlement allows both sides to avoid the risks and cost of further lengthy and complex litigation, while allowing a recovery for the Settlement Class to occur now in exchange for a release of all “Released Claims” against any of the “Released Defendants’ Parties” (as defined in the response to question 13 below). The proposed \$12,000,000 Settlement reflects the Plaintiffs’ and the Defendants’ willingness to ultimately accept the independent Mediator’s settlement proposal.

After taking into account the uncertainties, risks, and likely costs and expenses of further litigation in this complex securities action, Plaintiffs and their counsel believe that the \$12,000,000 cash Settlement is fair, reasonable, and in the best interests of the Settlement Class Members. The Defendants have denied and continue to deny all the claims asserted in both Actions, but acknowledge that further litigation could prove lengthy and expensive, and have therefore also agreed to settle and finally resolve all claims against all the Defendants in both Actions, on the terms set forth in the Stipulation.

### **WHO IS INCLUDED IN THE SETTLEMENT?**

#### **6. How do I know if I am included in or affected by the Settlement?**

The “Settlement” and “Settlement Class” includes all persons or entities (“Settlement Class Members”), except those who are excluded as described below, who (a) purchased or otherwise acquired Cloopen ADSs pursuant or traceable to the Offering Documents issued in connection with Cloopen’s IPO; and/or (b) purchased or otherwise acquired Cloopen ADSs between February 9, 2021 and May 10, 2021, inclusive (the “Class Period”), and who were damaged thereby.

#### **7. Are there exceptions to being included?**

Yes. Excluded from the Settlement Class are all Defendants and their families, the officers and directors and affiliates of Defendants, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded will be any person or entity that timely and validly requests exclusion from the Settlement Class as set forth in the response to question 14 below.

#### **8. What if I am still not sure if I am included?**

If you are still not sure if you are included, you can ask for free help. You can contact the Claims Administrator by calling (866) 778-9470, or by writing to it at the address listed on page 3 above.

### **WHAT ARE THE SETTLEMENT’S BENEFITS?**

#### **9. What does the Settlement provide?**

Cloopen has agreed to pay or cause to be paid US \$12,000,000 in cash (the “Settlement Amount”) into a settlement fund (the “Settlement Fund”) for the benefit of the Settlement Class. If the Settlement is approved by the Court and becomes effective, the Net Settlement Fund – consisting of (a) the Settlement Amount plus interest (net of taxes) earned thereon, minus (b) Notice and Administration Expenses, Court-approved Plaintiffs’ attorneys’ fees and expenses, and any Court-approved awards to Plaintiffs – will be allocated among all “Authorized Claimants” (*i.e.*, among those eligible Settlement Class Members who timely submit valid Claim Forms). Notice and Administration Expenses include the costs of printing and mailing this Notice and the costs of claims administration and processing. Distribution to Authorized Claimants will be made according to a plan of allocation (*see* “Proposed Plan of Allocation of Net Settlement Fund Among Settlement Class Members” below) to be approved by the Court.

In return, if the Settlement is approved and becomes effective, both Actions will be dismissed, and all Settlement Class Members who have not excluded themselves from the Settlement Class will be deemed to have waived, released, relinquished and forever discharged with prejudice all Released Claims against all Defendants and the other “Released Defendants’ Parties,” whether or not such Settlement Class Members submit a Claim Form. *See also* response to question 13 below.

## 10. How much will my payment be?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number and timing of Cloopen ADSs purchased or acquired by all Authorized Claimants. Payments will be calculated on a *pro rata* basis, meaning that the Net Settlement Fund will be divided among all Authorized Claimants based on each one's proportional share of all Authorized Claims and distributed accordingly. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than \$10.00. Distributions will not be made until after (a) the deadline for submitting Claim Forms has passed, and (b) the Claims Administrator has finished processing, reviewing, and verifying the validity of all Claim Forms received.

If there is any balance remaining in the Net Settlement Fund after six months from the date of the initial distribution of the Net Settlement Fund, if reasonably feasible, that balance (after payment of any outstanding administrative fees or expenses) shall be reallocated among Authorized Claimants who cashed their initial payments in an equitable and economic fashion pursuant to the foregoing *pro rata* distribution plan. Thereafter, any remaining balance will be donated to a §501(c)(3) non-profit organization approved by the Court.

You can calculate your Recognized Claim under the formula contained in the proposed Plan of Allocation. See "Proposed Plan of Allocation" below. The payment you receive will reflect your Recognized Claim, if it is approved, in relation to the Recognized Claims of all persons submitting valid Claim Forms whose claims are approved. Because the total of all Recognized Claims is expected to exceed the amount of the Net Settlement Fund, your Recognized Claim is not the amount of the payment that you will receive, but will (together with all other Settlement Class Members' Recognized Claim amounts) be used to calculate your *pro rata* share of the Net Settlement Fund (and the *pro rata* share of all Authorized Claimants).

## 11. How can I get a payment?

To qualify for a payment, you must be an eligible Settlement Class Member and submit a timely and valid Claim Form.

A Claim Form is enclosed with this Notice, and may also be downloaded from the Settlement website, [www.CloopenSecuritiesLitigation.com](http://www.CloopenSecuritiesLitigation.com). Read the instructions carefully, fill out the form, include copies of all requested documents, sign the form, and either (a) **submit it online no later than February 14, 2024**, or (b) mail it so that it is **postmarked no later than February 14, 2024** to the following address:

Cloopen Securities Litig.  
c/o A.B. Data, Ltd.  
P.O. Box 173025  
Milwaukee, WI 53217

## 12. When would I get my payment?

The State Court will hold a Settlement Hearing, scheduled for January 23, 2024 at 10:30 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals afterwards. It also takes time for all the Proofs of Claim to be processed. Please be patient.

## 13. What am I giving up to get a payment or to stay in the Settlement Class?

Unless you timely and validly exclude yourself from the Settlement Class by the **December 26, 2023** deadline, if you fit within the definition of the Settlement Class you will continue to be a Settlement Class Member, which means that you cannot sue, continue to sue, or be part of any other lawsuit that brings any of the Released Claims (including the claims asserted in the Actions) against any of the Defendants or other Released Defendants' Parties (as defined below). It also means that you will be bound by all of the Court's orders in the State Action. Further, if you remain a Settlement Class Member, and if the Settlement is approved, you and your "Released Plaintiffs' Parties" (as defined in the Proof of Claim) will give up all "Released Claims" including "Unknown Claims" that you may have against the Released Defendants' Parties, as detailed immediately below.

- "Released Claims" means that, upon the effective date, the Plaintiffs and the other members of the Settlement Class will release as against Released Defendants' Parties (as defined below), all claims, demands, rights, and causes of action, or liabilities of every nature and description, whether known or Unknown Claims (as defined below), whether arising under federal, state, local, common, statutory, administrative, or foreign law, or any other law, rule, or regulation, at law or in equity, whether fixed or contingent, whether foreseen or unforeseen, whether accrued or unaccrued, whether liquidated or unliquidated, whether matured or unmatured, whether direct, indirect, derivative, representative, class, or individual in nature that (a) Plaintiffs or any other member of the Settlement Class: (i) asserted in the State Action and/or the Federal Action or (ii) could have been asserted in any court or forum that arise out of or are based upon any of the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the State Action and/or the Federal Action; and (b) relate in any way, directly or indirectly, to

or arise from the purchase or acquisition of Cloopen ADSs pursuant and/or traceable to the Offering Documents or between the period of February 9, 2021 and May 10, 2021, inclusive (“Plaintiffs’ Released Claims”). Plaintiffs’ Released Claims shall not include (i) any claims relating to the enforcement of the Settlements; or (ii) any claims of any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the State Court.

- “Released Defendants’ Parties” means (i) each and every Defendant, (ii) each of their respective immediate family members (for individuals) and each of their direct or indirect parent entities, subsidiaries, related entities, and affiliates, any trust of which any individual Defendant is the settler or which is for the benefit of any Defendant and/or member(s) of his or her family, (iii) the named defendants who were not served with process in the State Case and/or the Federal Case, Xiadong Liang, Zi Yang, Ming Liao, Feng Zhu, Lok Yan Hui, Jianhong Zhou, Ching Chiu, Yunhao Liu, Changxun Sun, Yipeng Li, Xiegang Xiong, Cheng Luo, Kui Zhou, Qingsheng Zheng, and CICC and (iv) for any of the entities listed in parts (i) or (ii), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, officers, directors, managers, managing directors, supervisors, employees, contractors, consultants, auditors, accountants, financial advisors, professional advisors, investment bankers, representatives, insurers, trustees, trustors, agents, attorneys, professionals, predecessors, successors, assigns, heirs, executors, administrators, and any controlling person thereof, in their capacities as such, and any entity in which a Defendant has a controlling interest.
- “Unknown Claims” means any and all Plaintiffs’ Released Claims of every nature and description against the Released Defendants’ Parties which any Plaintiff or any member of the Settlement Class does not know or suspect to exist in his, her, or its favor at the time of their release of the Plaintiffs’ Released Claims, and any and all Released Defendants’ Claims of every nature and description against the Released Plaintiffs’ Parties which any Defendant does not know or suspect to exist in his, her, or its favor at the time of their release of the Released Defendants’ Claims, and including, without limitation, those which, if known by such Plaintiff, member of the Settlement Class, or Defendant, might have affected his, her, or its decision(s) with respect to the Settlements or the releases, including his, her, or its decision(s) to object or not to object to the Settlements. The Parties and Settlement Class Members also expressly waive and relinquish all rights and benefits under Section 1542 of the California Civil Code – and any law of any jurisdiction of similar effect – with respect to any claims they may have. Section 1542 reads as follows: “A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

#### EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement and you want to keep any right you may have to sue or continue to sue the Defendants or the other Released Defendants’ Parties on your own about the claims being released in this Settlement, then you must take steps to remove yourself from the Settlement Class. This is called excluding yourself, or “opting out,” from the Settlement Class.

#### 14. How do I get out of the proposed Settlement?

To exclude yourself from the Settlement Class, you must mail a letter stating that you “request exclusion from the Settlement Class in *St. John v. Cloopen Group Holding Limited, et al.*, Index No. 652617/2021.” To be valid, the letter must state: (a) your name, address, telephone number, and e-mail address (if any); (b) the date, number of Cloopen ADSs, and dollar amount of all purchases, acquisitions, sales, or dispositions of Cloopen ADSs made by you or someone acting on your behalf during the period from February 9, 2021 to May 10, 2021; and (c) the number of Cloopen ADSs held by you as of the close of trading on May 10, 2021. Any request for exclusion must be signed and submitted by you, as the beneficial owner. You must submit your exclusion request by mail or other carrier so that it is **received no later than December 26, 2023** at:

EXCLUSIONS from Cloopen Securities Litig.  
c/o A.B. Data, Ltd.  
P.O. Box 173001  
Milwaukee, WI 53217

You cannot exclude yourself from the Settlement Class by telephone, fax, or e-mail. Please keep the documents establishing your transactions in Cloopen ADSs, as the State Court or Counsel for the Parties may request that you submit such documents. If you properly exclude yourself, you will not receive a payment from the Net Settlement Fund, you cannot object to the Settlement, and you will not be legally bound by the judgment in this case.

#### 15. If I do not exclude myself, can I sue the Defendants or the other Released Parties for the same thing later?

No. Unless you exclude yourself by following the instructions above, you give up any rights to sue any of the Defendants or Released Defendants’ Parties for the claims being released in this Settlement. If you have a pending lawsuit against any Defendant or other Released Defendants’ Party, speak to your lawyer in that case immediately to determine if you have to exclude yourself from the Settlement Class in this matter to continue your own lawsuit. Remember, the exclusion deadline is **December 26, 2023**.

**16. If I exclude myself, can I get money from the proposed Settlement?**

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money.

**THE LAWYERS REPRESENTING YOU**

**17. Do I have a lawyer in this case?**

The Court in the State Action has appointed the law firms of Scott+Scott Attorneys at Law LLP (“Scott+Scott”) and Berger Montague PC (“Berger Montague”) (collectively, “Class Counsel”), as the lead counsel in the respective actions to represent you and the other Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense.

**18. How will the lawyers be paid?**

Plaintiffs’ Counsel will ask the Court to award attorneys’ fees from the Settlement Amount in an amount not to exceed one third (33⅓%) of the Settlement Amount, and for payment of their expenses in an amount not to exceed \$275,000, plus interest on such fees and expenses at the same rate as may be earned by the Settlement Fund.

The attorneys’ fees and expenses requested – which will cover all plaintiffs’ attorneys’ fees and expenses in both the State and Federal Actions – will be the only payment that Plaintiffs’ Counsel will receive for their work in achieving the Settlement and for the risks they took in representing the Settlement Class in this matter on a wholly contingent basis. To date, they have not been paid anything for their work in either Action nor have they received any payment for the expenses they have advanced. The fees and expenses requested will compensate Plaintiffs’ Counsel for their work in obtaining the Settlement Fund for the Settlement Class. In addition, the Plaintiffs may apply for awards for their service in representing the Settlement Class, which awards in the aggregate will not exceed \$15,000. Based on the amounts described in this Section, the total requested Fee and Expense Application would be estimated to equal roughly \$0.17 per allegedly damaged Cloopen ADS. If approved, the requested amounts will be paid from the Settlement Fund. If the Court awards less than the requested amounts, the difference will remain in the Settlement Fund.

**OBJECTING TO THE SETTLEMENT**

**19. How do I tell the Court that I object to the proposed Settlement?**

If you are a Settlement Class Member, you can object to the Settlement, Plan of Allocation, Plaintiffs’ Counsels’ application for attorneys’ fees and expenses, and any proposed awards to Plaintiffs.

To object, you must file a written objection (together with any papers or briefs in support of the objection) with the Clerk of the Supreme Court for New York County, Commercial Division, at the address listed below **on or before January 2, 2024**. Your objections must state that you object to the proposed Settlement in Cloopen Securities Litig., Index No. 652617/2021. You must (a) include your name, address, daytime telephone number, and your signature (and the name and contact information for your counsel, if any), and (b) include **copies** of documents showing the date(s), price(s), and amount(s) of all Cloopen ADSs that you purchased (or acquired) pursuant or traceable to the Offering Documents or between February 9, 2021 and May 10, 2021, inclusive (in order to show your membership in the Settlement Class). Your objection must also state all grounds for your objection, and attach copies of any evidentiary materials you wish the Court to consider. The objection must be signed by the objector, even if it is filed by your counsel. Attendance at the Settlement Hearing is not necessary to object, but if you (or your counsel, if any) wish to speak in support of your objection at the Settlement Hearing (*see* response to question 23 below) you must also state in your objection that you intend to do so.

**Importantly**, you must also mail or deliver copies of any objections and supporting materials to *each* of the following Court and counsel at the addresses listed below so they are **received no later than January 2, 2024**:

<p><b>The Court</b> Clerk of the Court New York Supreme Court N.Y. County, Commercial Div. 60 Centre Street New York, NY, 10007</p>	<p><b>Plaintiffs’ Counsel</b> Max R. Schwartz, Esq. Scott+Scott Attorneys at Law LLP 230 Park Avenue, 17th Floor New York, NY 10169 Email: mschwartz@scott-scott.com</p> <p>Michael Dell’Angelo, Esq. Berger Montague PC 1818 Market Street, Suite 3600 Philadelphia, PA 19103 Email: mdellangelo@bm.net</p>	<p><b>Defendant Cloopen’s Counsel</b> Sheryl Shapiro Bassin, Esq. Wilson Sonsini Goodrich &amp; Rosati, P.C. 1301 Avenue of the Americas, 40<sup>th</sup> Floor New York, NY 10019 Email: sbassin@wsgr.com</p>
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## 20. What is the difference between objecting and excluding myself?

Objecting is simply telling the Court you do not like something about the Settlement or some portion thereof. You can object only if you stay in the Settlement Class. You may submit a Claim Form even if you object. Requesting exclusion is telling the Court you do not want to be part of the Settlement Class or the Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. Nor can you submit a Claim Form. If you stay in the Settlement Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

### THE STATE COURT'S SETTLEMENT HEARING

The State Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend, and you may ask to speak, but you do not have to.

## 21. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing on January 23, 2024 at 10:30 a.m. at the New York County Courthouse, Courtroom 238, 60 Centre Street, New York, NY 10007. At this hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate and should be approved by the Court; whether an Order and Final Judgment as provided in the Stipulation of Settlement should be entered; and whether the proposed Plan of Allocation should be approved. The Court may also decide how much should be awarded to Plaintiffs' Counsel for attorneys' fees and expenses, and whether to approve awards to the Plaintiffs for their service to the Settlement Class. If there are objections, the Court will consider them and will listen to people who have asked to speak at the hearing.

*The Court may change the date and time of the Settlement Hearing without further notice being sent to Settlement Class Members, or it may provide that the hearing be held by telephone or video connection.* If you want to attend the hearing, you should check the settlement website and/or check with Plaintiffs' Counsel beforehand to be sure that the date, time, and/or manner of the hearing have not changed.

## 22. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submit your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

## 23. May I speak at the hearing?

If you object to the Settlement, Plan of Allocation, or any aspect of the Fee and Expense Application, you may also ask the State Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (*see* question 19 above) a statement that you "intend to appear" at the Settlement Hearing, and you must also identify in your statement any witnesses you may call to testify and attach copies of any exhibits you intend to introduce into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

### IF YOU DO NOTHING

## 24. What happens if I do nothing at all?

If you do nothing, you will get no money from the Settlement and you will not be able to start a lawsuit, continue with a lawsuit, or be part of another lawsuit against Defendants or the Released Defendants' Parties that asserts any of the claims being released in the Settlement. Settlement Class Members who do not submit valid and timely Claim Forms shall be barred from receiving any payments from the Settlement, but they will in all other respects be subject to and bound by the terms of the Stipulation and any Judgment entered, including the releases set forth therein.

### GETTING MORE INFORMATION

## 25. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You may review and download a copy of the Stipulation (and other documents relating to the Actions) at [www.CloopenSecuritiesLitigation.com](http://www.CloopenSecuritiesLitigation.com). You may also request a copy of the Stipulation and additional Claim Forms from the Claims Administrator by phone, email or mail using the contact information provided on page 3 above. A complete set of the pleadings and other court filings in the State Action are also available for inspection during regular business hours at the Office of the Clerk, New York Supreme Court for New York County, Commercial Division, 60 Centre Street, New York, NY. A complete set of the pleadings and other court filings in the Federal Action are also available for

inspection during regular business hours at the Office of the Clerk, U.S. District Court for the Southern District of New York, 500 Pearl Street, New York, NY.

**\*\*PLEASE DO NOT TELEPHONE THE COURT, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE\*\***

### PROPOSED PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG SETTLEMENT CLASS MEMBERS

The Plan of Allocation seeks to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses. The Claims Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the Recognized Loss formulas described below. (Any orders modifying the Plan of Allocation will be posted at [www.CloopenSecuritiesLitigation.com](http://www.CloopenSecuritiesLitigation.com)).

Publicly tradable American Depository Shares ("ADS(s)") of Cloopen Group Holding Limited ("Clopen") purchased in connection with the February 9, 2021 initial public offering or through May 10, 2021 (collectively, the "Eligible ADSs") are potentially eligible for damages. ADSs deemed purchased and sold on the same day shall not be eligible for damages. The losses for each purchased ADS will be based on their Recognized Loss, and the resulting total value of the Recognized Claim for each Authorized Claimant (as a percentage of the Aggregate Recognized claims of all Authorized Claimants), as defined in Sections A to C below.

#### A. Calculation of Recognized Losses on Eligible ADSs

For each Eligible ADS purchased in connection with the IPO or in the open market or in a registered secondary offering from February 9, 2021 through May 11, 2021, inclusive, the Recognized Loss for each such ADS shall be based on the impact per ADS on the date of purchase, minus the impact per ADS on the date of sale, as set forth in the following Table A below; *provided*, however, that all such losses will be limited by the loss limitation rules set forth in ¶¶A.1-2 below (in which case the lower amount will apply).<sup>1</sup> To the extent that the calculation of a Recognized Loss amount results in a negative number, that number shall be set to zero.

**Table A: Impact per ADS on Eligible ADSs as of Relevant Purchase and Sale Dates**

Period	Beginning Date	Ending Date	Impact Per ADS
1	2/9/2021	2/22/2021	\$4.83
2	2/23/2021	2/24/2021	\$4.50
3	2/25/2021	3/23/2021	\$4.13
4	3/24/2021	3/25/2021	\$3.29
5	3/26/2021	5/11/2021	\$0.54
6	5/12/2021	Current	\$0.00

1. ADSs sold on or before February 22, 2021, will have no Recognized Loss.
2. For Eligible ADSs sold on or after February 23, 2021, but before August 9, 2021, the Recognized Loss for each ADS will be the impact per ADS at the date of purchase minus the impact per ADS amount at the date of sale, as set forth in Table A subject to the loss limitation in the next sentence. The Recognized Loss will be further limited based on the sum of two components: (1) the greater of: \$0.00; or, 10% of the difference between the price per ADS paid on the date of purchase ("Purchase Price") minus \$16.00<sup>2</sup> per ADS; PLUS (2) the lesser of either the price paid on the date of purchase ("Purchase Price") or \$16.00<sup>3</sup> minus the price realized on the date of sale ("Sales Price").

<sup>1</sup> On March 3, 2023, there was a 1-for-3 reverse ADS split for Cloopen's ADS holders. This split is accounted for by the Claims Administrator. There is no need to make adjustments to account for this split when submitting your transaction information.

<sup>2</sup> The IPO price was \$16.00. By allowing some Recognized Loss for purchases above \$16.00 per share, this allows for some incremental Recognized Loss for Rule 10b-5 claims that otherwise would have no Recognized Loss.

<sup>3</sup> The IPO price was \$16.00. The effect of this is to give the most weight to losses on sales below \$16.00 per ADS.

3. For Eligible ADSs held on or after August 9, 2021, the Recognized Loss will be the impact per ADS amount on the date of purchase.<sup>4</sup>

### **B. Additional Provisions Relating to the Calculation of Recognized Losses**

For purposes of determining whether a Claimant has a “Recognized Claim,” purchases, acquisitions, and sales of Cloopen ADSs will first be matched on a First In/First Out (“FIFO”) basis. If a Settlement Class Member has more than one purchase/acquisition or sale of Cloopen ADSs, all purchases/acquisitions and sales shall be matched on a FIFO basis. Sales will be matched against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the period from February 9, 2021 through August 8, 2021.

The date of purchase or date of sale is the “contract” or “trade” date as distinguished from the “settlement” date. All purchase, acquisition, and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise or operation of law of Cloopen ADSs during the Relevant Period shall not be deemed a purchase or sale of such ADSs for the calculation of a claimant’s Recognized Claim, nor shall it be deemed an assignment of any claim relating to the purchase of such ADSs unless specifically provided in the instrument of gift or assignment.

For short sales, the date of covering a “short sale” is deemed to be the date of purchase of the Cloopen ADS. The date of a “short sale” is deemed to be the date of sale of the Cloopen ADS. Under the Plan of Allocation, however, the Recognized Loss on “short sales” is zero.

Option contracts are not securities eligible to participate in the Settlement. With respect to Cloopen ADSs purchased or sold through the exercise of an option, the purchase/sale date of the Cloopen ADS is the exercise date of the option and the purchase/sale price of the Cloopen ADS is the exercise price of the option.

### **C. Allocation of Net Settlement Proceeds Based on Recognized Losses**

A Claimant’s “Recognized Claim” under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss amounts for their Eligible ADSs, as determined in accordance with §§ A and B above.

To the extent a Claimant had a market gain with respect to his, her, or its overall transactions in Cloopen ADSs during the Class Period, the value of the Claimant’s Recognized Claim shall be zero, but such Claimants shall in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in Cloopen ADSs purchased during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the Claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in Cloopen ADSs during the Class Period or suffered a market loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>5</sup> and (ii) the sum of the Total Sales Proceeds<sup>6</sup> and the Total Holding Value<sup>7</sup>. This difference shall be deemed a Claimant’s market gain or loss with respect to his, her, or its overall transactions in Cloopen ADSs during the Class Period.

The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which shall be the Authorized Claimant’s Recognized Claim divided by the aggregate Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to such Authorized Claimant.

The Net Settlement Fund will not be distributed to Authorized Claimants unless and until the Court has (a) approved the Settlement and either this plan of allocation or a modified plan; and (b) the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired. Approval of the Settlement is separate from approval of this or any other plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form. Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants.

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<sup>4</sup> The Section 11 and PSLRA loss limitation rules are ignored for calculation purposes because the ADS price fell substantially by August 9, 2021, such that they will have no effect on Recognized Losses for Section 11 purposes and de minimis effect for PSLRA purpose and can be ignored.

<sup>5</sup> The “Total Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for all Cloopen ADSs purchased or acquired during the Class Period.

<sup>6</sup> The total amount received (excluding commissions and other charges) for all Cloopen ADSs sold during the Class Period shall be the “Total Sales Proceeds”.

<sup>7</sup> The Claims Administrator shall ascribe a holding value to Cloopen ADSs purchased or acquired during the Class Period and still held as of the close of trading on May 11, 2021, which shall be the May 12, 2021 Closing Price of \$8.97. The total calculated holding values for all Cloopen ADSs shall be the Claimant’s “Total Holding Value”.

You should contact the Claims Administrator or Class Counsel if you disagree with any determinations that may be made by the Claims Administrator regarding your Claim Form. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Settlement Class Members and the claims administration process, to decide the issue by submitting a written request. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

**SPECIAL NOTICE TO CUSTODIANS AND OTHER NOMINEES**

If, between February 9, 2021, and May 10, 2021, inclusive, you purchased or otherwise acquired American Depositary Shares of Cloopen (NYSE ticker: RAAS) as a nominee for a beneficial owner, the Court has directed that, WITHIN TEN (10) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE and Proof of Claim and Release Form, you either (a) send a copy of this Notice and Proof of Claim (the "Notice Packet") by First Class Mail to all such owners; or (b) provide to the Claims Administrator (at the address listed at page 3 above) a list of the names, and last known addresses of such owners. If you choose to mail the Notice Packet yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing. Regardless of which option you choose, you may obtain reimbursement for reasonable out-of-pocket costs actually incurred in connection with the foregoing, and which would not have been incurred but for the sending of the Notice or the requirement to identify beneficial holders, upon submission of appropriate supporting documentation to the Claims Administrator. Reasonable expenses shall not exceed \$0.15 per mailing record provided to the Claims Administrator and \$0.15 for each Notice Packet actually mailed plus postage at the rate used by the Claims Administrator. Nominees whose research yields no records, or a minimal number of beneficial owners, may ask the Claims Administrator to consider an upward adjustment for the reasonable costs incurred to perform their research. If you choose to forward the Notice Packet yourself, the Court has directed that you send a statement to the Claims Administrator confirming that you made the mailing as directed.

DATED: OCTOBER 05, 2023

BY ORDER OF THE NEW YORK SUPREME COURT,  
NEW YORK COUNTY, COMMERCIAL DIVISION