Application Proof of

INTSIG INFORMATION CO., LTD.
上海合合信息科技股份有限公司

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

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INTSIG

合合信息

INTSIG INFORMATION CO., LTD.

上海合合信息科技股份有限公司

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

[REDACTED]

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

***Sole Sponsor,* [REDACTED], [REDACTED], [REDACTED]**
***and* [REDACTED]**

CICC 中金公司

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[**REDACTED**]

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This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to [**REDACTED**] *in the* [**REDACTED**].

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors". You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this Document.*

OVERVIEW

Our Mission

Empowering greater human efficiency through innovation.

Our Corporate Spirit

Progressive, benevolent, innovative.

Who We Are

We are a world-leading artificial intelligence (AI) product company, founded in 2006 by a group of visionary scientists driven by technological ideals. We craft products that tackle real problems with real ease ("真有用、真好用"). Since our inception, we have been committed to empowering innovation through AI technology, delivering products to hundreds of millions of users and diverse industries worldwide. Backed by over 18 years of AI research and application expertise, we have become a global leader in text intelligence technology empowered by multimodal LLM. Our business spans over 200 countries and regions worldwide. We continue to lead the technological development and commercialization of AI, advancing global digital intelligence and enabling greater efficiency.

We ranked first in China and fifth globally in terms of revenue among companies with over 100 million monthly active users (MAU) in global individual efficiency AI products in 2024, and maintain strong growth momentum, according to CIC. As an AI-native company, our success is marked by three unique achievements:

(i) large-scale profitability;

(ii) massive user bases in both China and the world; and

(iii) scaled revenue from both individual user and enterprise products.

Our Core Products

We offer a comprehensive product portfolio for global individual users and enterprise customers across diverse industries.

Individual User Products

Drawing on years of AI technology expertise and deep insights into user needs, we have independently developed and launched a series of individual user products, including *CamScanner*, *CamCard* and *Qixinbao*:

- ***CamScanner* —The world's largest AI product for image-based text processing.** We launched *CamScanner* in 2010, the dawn of the mobile app era, making it one of China's first iconic mobile apps. This pioneering product rode the wave of the smart terminal revolution and has been defining efficiency standards with cutting-edge AI technologies. *CamScanner* topped the download list of free efficiency apps in 84 countries and regions on the Apple App Store at various times since 2013, according to CIC. As of March 31, 2025, *CamScanner* served over one billion users across more than 200 countries and regions, measured by the number of devices. It is the world's largest AI product for image-based text processing in terms of MAU for March 2025; furthermore, it is one of the few super apps globally to remain online for over 15 years, with MAUs surpassing 100 million and revenue growing at a CAGR of over 20% from 2022 to 2024, according to CIC. *CamScanner* integrates document scanning, format conversion, intelligent editing and AI enhancements, continuously reshaping document processing through innovations in text intelligence technology empowered by multimodal LLM. Its AI core features, such as AI Magic Pro, AI Smart Erasure, AI Edge Detection, AI Sign, AI Translate and AI Chat, generated approximately 150 million aggregate daily calls as of December 31, 2024.

- ***CamCard* — A leading global AI product for business networking.** We introduced *CamCard* in 2009, aspiring to transform global business networking. *CamCard* topped the download list of free business apps in 41 countries and regions on the Apple App Store at various times since 2013, according to CIC. In 2024, we launched the online digital business card feature, further tapping into the global digital business card market. We have continuously enhanced *CamCard* in recent years with new AI-empowered features, including AI Text Recognition and AI Business Card Insights.

- ***Qixinbao* — A commercial data intelligence product.** Launched in 2015, *Qixinbao* leverages our in-house DIKI (Data-Information-Knowledge-Intelligence) governance framework to create a complete value chain from data aggregation to intelligent decision-making. Leveraging our robust capabilities in data mining and analysis, combined with technologies, such as NLP, knowledge graphs, deep learning and LLMs, *Qixinbao* offers a panoramic credit analysis platform covering over 300 million enterprises. With 200 billion commercial enterprise data entries, it delivers millisecond-level real-time processing and analysis, establishing it as a benchmark in China's commercial intelligence data field.

Enterprise Products

We transform years of technology expertise and use case know-how into standardized AI products, delivering scalable tools to enhance efficiency and risk management for enterprise customers. We encapsulate multimodal text intelligence technology into standardized product modules, and with a continuously optimized adaptive learning system, we have developed standardized enterprise AI products that can be deployed across industries, effectively solving the pain points of low manual efficiency and accuracy in actual business operations, helping customers reduce costs and boost productivity. We serve customers in nearly 30 industries, including manufacturing, banking, insurance, retail and technology, with key customers comprising around 160 companies in Fortune 500. Our enterprise customers also include peer companies in the AI sector, indicating high recognition of our product strengths. Below are our two flagship enterprise products:

- ***TextIn* — An enterprise-level AI product suite for intelligent text processing.** Built on our multimodal text intelligence technology, *TextIn* provides a rich set of AI functional modules, encompassing generic functions, such as intelligent extraction and image processing, parsing and full-process automation of documents, as well as sector-specialized features, such as invoice recognition, certificate verification, table parsing and contract comparison. *TextIn* delivers high-precision document recognition and parsing for industries such as manufacturing, finance and healthcare, performing over hundreds of millions of tasks daily. Notably, *DocFlow*, an operational module within the *TextIn* suite, functions as a self-evolving document processing agent. Its breakthroughs in intelligent process orchestration, optimized memory modules and full-stack AI for structured parsing and semantic understanding have empowered over 1,000 customers across manufacturing, logistics and finance, boosting document processing efficiency and driving intelligent operational transformation for enterprise customers.

- ***Qixin Insight* — An enterprise-level AI product suite for commercial data intelligence.** Powered by AI-driven data modeling, mining and knowledge graph technologies, *Qixin Insight* offers data-driven applications for supply chain risk control, financial risk management and customer acquisition. Its modules include AI Sourcing and Procurement, AI Enterprise Profiling and AI-empowered Business Risk Analysis. Serving over 1,000 leading customers in manufacturing, finance, pharmaceuticals, energy, automotive and trade, it performs over 20 million daily risk scans. *Qixin Insight* generates insights of risks and opportunities, supporting departments including risk control, legal, procurement, finance, credit and marketing with digital intelligence across scenarios such as due diligence, compliance and customer acquisition. Its commercial database with 200 billion commercial enterprise data entries and proprietary network analysis algorithms enable millisecond-level parsing of complex relationships, such as shareholding penetration and controller identification.

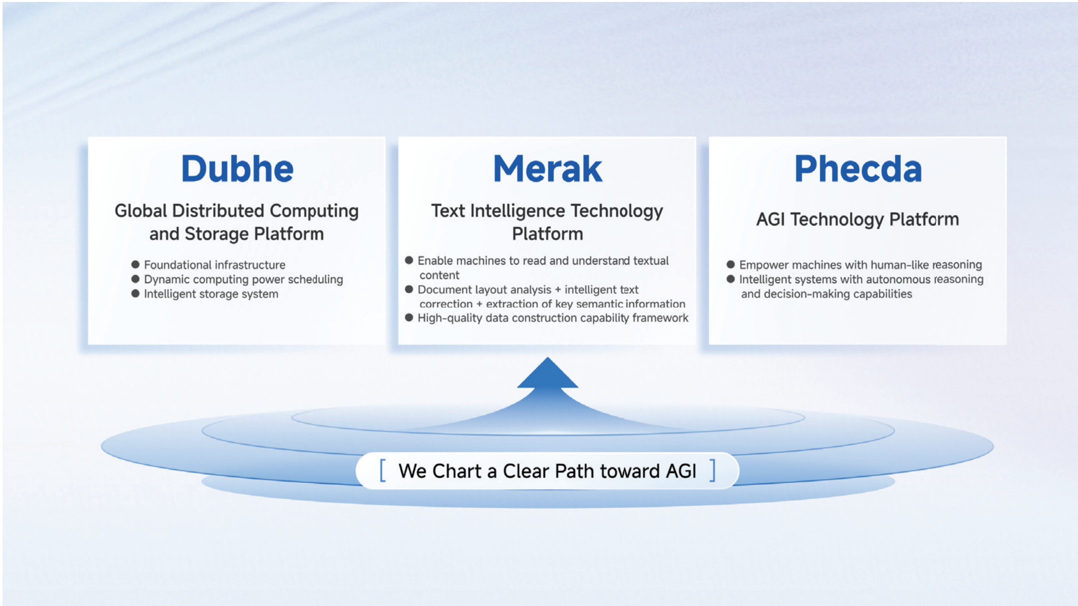
Our Core Technology

Founded by seasoned AI scientists in 2006, we have long believed that artificial general intelligence (AGI) technologies will revolutionize human efficiency. Committed to long-termism, we have focused on advancing AI core technologies with AGI as our ultimate goal.

We believe that high-quality knowledge data processing is a core competency of AGI. Language and text, as the primary medium of knowledge data, serve as the key pathways to achieving it. Our priority is to equip machines with advanced reading comprehension, placing text intelligence perception and cognition at the core of our R&D efforts.

Our multimodal technology processes and understands text, images and videos simultaneously, enhancing perception and reasoning by integrating multiple data sources. Compared to traditional text intelligence, our multimodal approach tackles challenges such as perception in complex scenarios, multidimensional semantic understanding and structured governance of multi-source, unstructured text. Years of frontier AI R&D have positioned us as a global leader in this field.

Leveraging AI's three pillars — algorithms, computing power and data — we have proactively built three foundational platforms: Dubhe (天樞), Merak (天璇) and Phecda (天璣). These platforms, accessible via cloud service APIs and customer-side SDKs, underpin our robust product functionality and performance for both individual and enterprise users.



- ***Dubhe — Global Distributed Computing and Storage Platform***

As the backbone of AGI, Dubhe provides an advanced and secure global distributed network architecture and computing power and storage infrastructure. Launched in 2011, it supports billions of users across over 200 countries and regions, ensuring stable, efficient and secure AI functionalities and enabling large-scale global deployment. Dubhe features a high-performance network architecture that delivers efficient, stable and secure data synchronization, providing exceptional AI-powered application experience for our global users. Leveraging a storage-compute decoupling architecture and hybrid training-inference scheduling technology, we significantly enhance GPU resource utilization efficiency. Additionally, our intelligent, distributed and highly accessible storage infrastructure ensures efficient storage, real-time synchronization and secure access to vast volumes of data from global users.

- ***Merak — Text Intelligence Technology Platform***

We aim to transcend the boundaries of machine perception and cognition in various complex scenarios through Merak, enabling human-like language and text understanding capabilities as a critical technological foundation for AGI. We have achieved pioneering innovations in document structure understanding, intelligent error correction and key information extraction. These breakthroughs endowed machines with true "reading comprehension" capabilities for text — far surpassing mere text recognition — by enabling semantic parsing of document layouts under multimodal conditions. This allows the system to not only accurately extract text information but also interpret deeper semantic logic based on the relative spatial position of the text.

Moreover, we are staunch advocates of the data scaling law, one of the three foundational scaling laws. High-quality knowledge data processing is a core competency of AGI. To harness its potential, we have committed to a data processing paradigm where high-quality data and multimodal text intelligence technology evolve synergistically. This approach unlocks the latent value of unstructured data and multi-source heterogeneous credible data. To support this vision, we have established an efficient, high-quality data engineering capability system that spans the entire data lifecycle. This robust framework provides advanced data processing capabilities for our AI products. Our data processing capabilities currently position us as an industry leader, according to CIC.

- ***Phecda — AGI Technology Platform***

The Phecda AGI technology platform is designed to create intelligent systems endowed with autonomous reasoning and decision-making capabilities, elevating text intelligence recognition from mere semantic understanding to human-like reasoning and autonomous decision-making of the machine — a cornerstone of our AGI vision. To realize this ambition, we pursue two strategic priorities:

(i) Frontier Exploration and R&D in Multimodal LLM: We are actively expanding the perceptual boundaries of text intelligence, propelling it from semantic understanding to autonomous reasoning and decision-making. This ongoing effort builds and reinforces our competitive advantage and technological barriers in the text intelligence domain while relentlessly pushing the technological frontiers of AGI.

(ii) Development of AI Agent Technologies: Leveraging our independently developed, industry-leading core technologies, and aligning with business scenarios and user demands for autonomous machine reasoning and decision-making, we are advancing the R&D of AI agent technologies in the realm of multimodal text intelligence. Through AI agent products based on multimodal text intelligence technology and equipped with autonomous reasoning and decision-making capabilities, we deliver user experience that exceeds expectations and generate commercial value across our current and future user scenarios.

Our R&D efforts have yielded substantial achievements, reflected in superior technological metrics, standout performances in AI competitions and successful product deployments across diverse scenarios.

Dubhe, Merak and Phecda cement our global leadership in text intelligence technology empowered by multimodal LLM and chart a clear path toward AGI. While pursuing this vision, we remain grounded, delivering practical, commercial AI products that tackle real problems with real ease.

Our AI technologies are continuously commercialized across both our individual user and enterprise products. For example, *CamScanner*'s features, such as AI Magic Pro, AI Smart Erasure, AI Edge Detection, AI Sign and AI Translate, are all powered by our AI core technologies. Notably, AI Magic Pro autonomously analyzes various image degradation issues through using our AI technology, dynamically selecting the optimal processing path and algorithms to address over ten types of issues on image, including poor lighting, color distortion, skewed angles, document deformation, text bleed-through, moiré patterns, shadows, reflections and finger occlusion. *CamScanner*'s image processing performance significantly surpasses that of industry peers, according to CIC.

In the case of *TextIn*, its document parsing capabilities demonstrate exceptional proficiency in understanding and reconstructing charts, with performance metrics that exceed those of leading international multimodal LLMs. Furthermore, the AI core technology behind its document anti-tampering feature has consistently secured championships in global AI competitions. Within the *TextIn* suite, the *DocFlow* exemplifies our development of AI Agent products based on multimodal text intelligence technology. *DocFlow* autonomously orchestrates and optimizes business processes and functions based on specific enterprise needs, significantly enhancing document processing efficiency for our enterprise customers.

Additionally, our products offer knowledge resources such as over 500 industry-specific topics and a cross-industry database covering 32 major sectors. These offerings are the result of applying our multimodal text intelligence technology to structurally govern and derive insights from multi-source, heterogeneous and unstructured text data.

Our Business Model

We are among the few AI-native companies with scaled revenue from both individual user products and enterprise products, driven by a dual growth engine strategy. This model blends high growth and high margin, with individual user subscriptions and standardized enterprise products driving strong revenue, margin and cash flow.

- **Individual User Products:** Products such as *CamScanner* and *CamCard* serve hundreds of millions of MAUs globally, with strong stickiness. Users accumulate digital assets, such as documents and business cards, on our products fostering network effects through sharing enabling low-cost, natural expansion. This natural network effects lead to a vast, high-quality user base that sustains our business growth.

- **Enterprise Products:** Following a product strategy that advances from scenario-based development to standardization, we initially penetrated industry verticals including manufacturing, banking, insurance and retail with tailored, differentiated products. We quickly amassed industry know-how and technological insights, then translated this expertise into standardized products such as *TextIn* and *Qixin Insight*, enabling mass-deployment across industries.

We believe that the best business model is to embed cutting-edge innovation into products that deliver real value. We are committed to offering products that tackle real problems with real ease to deliver long-term business value, facilitate AI commercialization and fulfill our vision of making the world more efficient. Our cutting-edge products expand into various scenarios and gather customer bases of diverse demographics. As a result, we accumulate industry expertise and know-how from the mass deployment of our products, which, in turn, fuel our continued R&D efforts.

We have demonstrated constant and robust growth and profitability. Our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, and further to RMB1,438.1 million in 2024 by 21.2%. Our revenue also increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025. Our net profit was RMB283.7 million, RMB323.2 million and RMB400.5 million in 2022, 2023 and 2024, respectively; and RMB98.3 million and RMB116.1 million in the three months ended March 31, 2024 and 2025, respectively. Our gross profit margin in 2022, 2023 and 2024 exceeded 80%. See "Financial Information."

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

- Global leader dedicated to enhancing efficiency through AI innovation;
- Global leader in text intelligence technology empowered by multimodal LLM;
- Products tackling real problems with real ease, fostering broad, loyal user base;
- Innovative, standardized enterprise product portfolio serving high-value customers, empowering efficiency with profound know-how;
- High growth and profitability validates leadership in AI commercialization; and
- Stable core team with over 18 years of AI R&D and commercialization records.

OUR GLOBAL STRATEGIES

We will continue to pursue the following strategies which will drive further growth:

- Strengthen AI core technology R&D in pursuit of AGI goal;
- Iterate individual user product portfolio, accelerate expansion into new functions, regions and products;
- Continuously expand global enterprise customer coverage with standardized products, strengthening multi-scenario commercialization;
- Pursue strategic partnership and investment opportunities; and
- Attract and cultivate top research and management talent worldwide.

Key Operating Metrics

The following table sets forth certain key operating metrics of our business operations.

	For the Year Ended December 31,			For the Trailing Twelve Months Ended March 31,	
	2022	2023	2024	2024	2025
Individual User Products					
MAU[(1)] (in million)	133.0	149.9	171.4	158.6	177.7
Paying User[(2)] (in million) . . .	5.3	6.1	7.4	6.2	7.9
Enterprise Products					
Number of Customers[(3)]	2,593	2,738	3,207	2,874	3,472

Notes:

(1) The total number of users who have recorded device activity within a calendar month (including actions such as app launches, visits, browsing, and clicks). This metric includes both mobile app and mini-program MAUs. The figures presented in the table represent MAUs for the final month of each reporting period and are calculated as the simple sum of MAUs across three individual products, *CamScanner*, *CamCard* and *Qixinbao*.

(2) User who completed at least one successful transaction during the reporting period, with each user counted only once per period regardless of transaction frequency. The figures presented reflect the number of paying users in each reporting period, calculated as the simple sum across *CamScanner*, *CamCard* and *Qixinbao*. This definition excludes users only participating in trials.

(3) The total number of customers who contributed to the revenue of our enterprise products during the reporting period.

RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new products and enhance existing products is critical for maintaining our market position. Our R&D team consists of dedicated talents with profound industry expertise, focusing on developing and commercializing our products which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has extensive working experience in AI, LLM, software programming and data, in reputable domestic or overseas technology companies. We are committed to pursuing the vision of AGI. To this end, our R&D efforts focus on exploring and developing frontier AI technologies, thereby strengthening our core technological capabilities. Building on these foundations, we have developed widely popular products that tackle real problems with real ease for both individual users and enterprise customers in various scenarios.

Our current R&D initiatives are centered around building a cutting-edge AI technology platform powered by large-scale multimodal LLM. Through these key research initiatives, we aim to tackle core challenges such as effective data fusion and efficient learning across complex real-world scenarios. Our focus spans across diverse applications including text recognition, document parsing, image processing and document understanding, delivering standardized AI-powered products for various industries.

INTELLECTUAL PROPERTY

As of March 31, 2025, we had 82 patent applications and 111 registered patents in China and 40 registered patents overseas. As of the same date, we also had 621 trademarks, 146 copyrights and 42 domain names in China and overseas. See "Appendix VI — Statutory and General Information — Further Information about our Business — Intellectual Property Rights."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property infringement claims by third parties or suffered any material intellectual property infringement by third parties. See "Risk Factors — Risks Relating to Our Industry and Business — We may be subject to third-party intellectual property infringement claims or other allegations, which may materially and adversely affect our business, results of operations, financial condition and prospects."

SALES AND MARKETING

We are committed to long-termism, consistently placing great emphasis on the enduring value of brand building. By leveraging cutting-edge marketing strategies within the industry, we drive sustainable growth for both our individual user and enterprise businesses, while establishing our brand reputation and industry influence in AI.

We have been recognized in multiple interviews and reports by prominent outlets such as Xinhua News Agency, People's Daily, China Central Television, New York Times, Time Magazine, Washington Post and BBC. Through effective public relations strategies, we transform complex technical expertise into brand assets that resonate with the public, injecting strong momentum into both brand communication and business conversion.

CUSTOMERS

During the Track Record Period, we derived revenue primarily from individual users across the world. We also serve a range of enterprise customers. We sell our enterprise products to customers across nearly 30 sectors such as manufacturing, banking, insurance, retail and technology, among others. Revenue from our five largest customers during the Track Record Period was RMB74.6 million, RMB86.0 million, RMB114.5 million and RMB30.0 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, accounting for 7.5%, 7.3%, 8.0% and 7.6% of our total revenue for the same periods. Revenue from our largest customer during the Track Record Period was RMB40.0 million, RMB56.1 million, RMB63.8 million and RMB17.1 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, accounting for 4.0%, 4.7%, 4.4% and 4.3% of our total revenue for the same periods.

SUPPLIERS

Our suppliers primarily comprise marketing and advertising service providers, cloud service providers. Purchases from our five largest suppliers during the Track Record Period were to RMB142.0 million, RMB142.4 million, RMB277.5 million and RMB52.4 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, representing 41.3%, 30.5%, 41.5% and 38.5% of our total purchases for the same periods. Purchases from our largest supplier during the Track Record Period were RMB35.8 million, RMB34.8 million, RMB99.0 million and RMB14.8 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, representing 10.4%, 7.5%, 14.8% and 10.9% of our total purchases for the same periods.

COMPETITION

We primarily compete with other companies that focus on developing and commercializing AI technologies. Built upon our leading proprietary AI R&D capabilities and proven product deployment expertise, our three individual user products have achieved a global user base of hundreds of millions across over 200 countries and regions, demonstrating both strong brand awareness and superior user experience. Our flagship product *CamScanner* topped the download rankings for free efficiency apps in 84 countries and regions on the Apple App Store at various times since 2013, while *CamCard* topped the download list for free business apps in 41 countries and regions on the Apple App Store at various times since 2013, according to CIC. With a growing global MAU exceeding 100 million, we are one of the few AI-native companies with significant user bases in both China and the world, holding substantial user recognition in the efficiency AI products category.

However, the industry in which we operate is highly competitive. Some of our existing or potential competitors may have longer operating histories, broader customer networks, more established brand recognition and greater financial and research resources than we do. See "Risk Factors — Risks Relating to Our Industry and Business — We operate in a highly competitive industry. If we fail to compete effectively, we may not be able to maintain or may lose market share, users and customers."

Competitive Landscape

The global individual user efficiency AI products market comprises a large number of players and product types. A monthly active user (MAU) base of over 100 million is generally considered the threshold for identifying a "super app" with strong user scale, market presence and monetization potential.

We ranked fifth globally among individual user efficiency AI products companies with over 100 million MAUs, in terms of relevant revenue in 2024, and was the largest Chinese company therein.

Ranking of the Global Individual User Efficiency AI Products Market, 2024

Rank	Company	Market Share (%)	Country	Background
1	Company A	26.8%	U.S.	An artificial intelligence foundation model solutions provider founded in 2015.
2	Company B	20.2%	U.S.	A multinational technology company founded in 1998.
3	Company C	8.9%	U.S.	A multinational technology company founded in 1982.
4	Company D	3.8%	U.S.	A multinational technology company founded in 1975.
5	Our Company	2.5%	China	–

Notes:

(1) The ranking includes only companies with over 100 million MAUs of individual user efficiency AI products as of 2024.

(2) Company A is an artificial intelligence foundation model solutions provider headquartered in the U.S. and founded in 2015. It primarily operates in the development and commercialization of LLMs. It is a private company.

(3) Company B is a multinational technology company headquartered in the U.S. and founded in 1998. It primarily operates across online advertising, search technologies, cloud computing, software, quantum computing, e-commerce, consumer electronics and artificial intelligence services. It is a listed company on NASDAQ.

(4) Company C is a multinational technology company headquartered in the U.S. and founded in 1982. It delivers a comprehensive suite of productivity and creative software for document solutions, image/video/audio editing, web and UX design, and animation and motion graphics. It is a listed company on NASDAQ.

(5) Company D is a multinational technology company headquartered in the U.S. and founded in 1975. It primarily operates across sectors such as internet services, cloud computing and video gaming. It is a listed company on NASDAQ.

Source: CIC

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors." You should read that section in its entirety carefully before you decide to invest in our H Shares. Some of the major risks we face include:

(i) The AI industry is characterized by constant changes. If we fail to develop new technologies to adapt to changing user and customer needs, industrial practices and rapid technological changes, our competitiveness may deteriorate and our business, results of operations and financial condition may be materially and adversely affected.

(ii) The AI industry is subject to evolving regulation. Future laws and regulations may impose additional requirements and other obligations.

(iii) AI technologies are rapidly evolving. We may experience misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or third parties.

(iv) We operate in a highly competitive industry. If we fail to compete effectively, we may not be able to maintain or may lose market share, users and customers.

(v) If we are unable to improve the features, functionalities, performance and reliability of our existing AI products or to develop new AI products that gain market acceptance, our business, results of operations and financial condition may be materially and adversely affected.

(vi) If we fail to expand our AI product offerings in new industries or scenarios, our business, financial condition, results of operations and prospects may be adversely affected.

(vii) Our historical growth may not be indicative of our future growth.

(viii) If our products contain serious errors or defects, our business, prospects and financial results may be materially and adversely affected.

(ix) We have been and intend to continue investing significantly in R&D, which may negatively impact our profitability and operating cash flow in the short-term and may not generate the results we expect to achieve.

(x) We may incur significant costs associated with our branding and marketing efforts, and some marketing campaigns may not be effective in attracting or retaining users or customers.

See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants' Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Items from the Consolidated Statements of Profit or Loss

The following table sets out a summary of our results of operations for the periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount* *(Unaudited)*	*%*	*Amount*	*%*
Revenue	988,462	100.0	1,186,524	100.0	1,438,143	100.0	326,614	100.0	394,996	100.0
Cost of revenue	(161,151)	(16.3)	(186,833)	(15.7)	(226,105)	(15.7)	(50,700)	(15.5)	(56,880)	(14.4)
Gross profit	827,311	83.7	999,691	84.3	1,212,038	84.3	275,914	84.5	338,116	85.6
Other revenue	37,631	3.8	39,116	3.3	86,532	6.0	10,357	3.2	3,476	0.9
Other net income	26,725	2.7	7,378	0.6	8,829	0.6	2,070	0.6	1,365	0.3
Research and development expenses	(279,902)	(28.3)	(323,377)	(27.3)	(390,473)	(27.2)	(83,637)	(25.6)	(104,887)	(26.6)
Selling and marketing expenses	(268,783)	(27.2)	(335,046)	(28.2)	(429,088)	(29.8)	(86,256)	(26.4)	(103,057)	(26.1)
Administrative and other operating expenses	(70,877)	(7.2)	(89,834)	(7.6)	(101,344)	(7.0)	(21,057)	(6.4)	(22,619)	(5.7)
Impairment loss on trade and other receivables and contract assets	(2,261)	(0.2)	(2,926)	(0.2)	(2,472)	(0.2)	481	0.1	(1,069)	(0.3)
Profit from operations	269,844	27.3	295,002	24.9	384,022	26.7	97,872	30.0	111,325	28.2
Net Finance Income	6,855	0.7	7,083	0.6	12,552	0.9	621	0.2	5,641	1.4
Changes in fair value of financial assets measured at fair value through profit or loss	2,646	0.3	20,025	1.7	23,994	1.7	5,837	1.8	7,706	2.0
Share of gain of an associate	192	0.0	–	–	–	–	–	–	–	–
Profit before taxation	279,537	28.3	322,110	27.1	420,568	29.2	104,330	31.9	124,672	31.6
Income tax	4,181	0.4	1,071	0.1	(20,038)	(1.4)	(6,032)	(1.8)	(8,527)	(2.2)
Profit for the year/period	283,718	28.7	323,181	27.2	400,530	27.9	98,298	30.1	116,145	29.4
Attributable to										
Equity shareholders of the company	283,721	28.7	323,181	27.2	400,530	27.9	98,298	30.1	116,145	29.4
Non-Controlling interest	(3)	–	–	–	–	–	–	–	–	–

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth the breakdown of the selected items from the consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	69,700	189,065	287,514	274,196
Total current assets	1,227,601	1,608,093	3,200,944	3,316,930
Total current liabilities	614,975	747,035	793,544	788,774
Net current assets	**612,626**	**861,058**	**2,407,400**	**2,528,156**
Total assets less current liabilities	**682,326**	**1,050,123**	**2,694,914**	**2,802,352**
Total non-current liabilities	6,217	51,807	37,341	28,559
NET ASSETS	**676,109**	**998,316**	**2,657,573**	**2,773,793**

Selected Items from the Consolidated Statements of Cash Flows

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

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
	(RMB in thousands)				
Net cash generated from operating activities	376,692	451,146	455,652	93,025	111,807
Net cash (used in)/generated from investing activities	(455,514)	(634,761)	(661,562)	165,171	(305,669)
Net cash (used in)/generated from financing activities	(17,906)	(21,035)	1,259,737	(4,667)	(4,050)
Net (decrease)/increase in cash and cash equivalents	(96,728)	(204,650)	1,053,827	253,529	(197,912)
Cash and cash equivalents at the end of the year/period	531,275	331,262	1,390,355	585,200	1,192,076

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods/as of the dates indicated:

	Year ended/as of December 31,			Three months ended/as of March 31,	
	2022	2023	2024	2024	2025
Revenue growth (%)	N/A	20.0%	21.2%	N/A	20.9%
Gross profit growth (%)	N/A	20.8%	21.2%	N/A	22.5%
Gross profit margin (%)	83.7%	84.3%	84.3%	84.5%	85.6%
Net profit margin (%)	28.7%	27.2%	27.9%	30.1%	29.4%
Quick ratio(1)	2.0	2.1	4.0	N/A	4.2
Current ratio(2)	2.0	2.2	4.0	N/A	4.2

Notes:

(1) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

(2) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Our Company has been listed on the STAR Market of Shanghai Stock Exchange since September 2024. Our Directors confirmed and our PRC Legal Advisor is of the view that, since our listing on the STAR Market of the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor and the view of the PRC Legal Advisor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the STAR Market of Shanghai Stock Exchange.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Zhen controlled approximately 29.95% of the total issued share capital of our Company, comprising 24.19% owned by him directly and 5.76% indirectly owned through Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo, each controlled by Shanghai Shihou, which is in turn controlled by Dr. Zhen. See "History, Development and Corporate Structure — Corporate Structure" in this document for details.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), Dr. Zhen, Shanghai Shihou, Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo will continue to control [**REDACTED**]% of the total issued share capital of our Company, and will remain as our Single Largest Group of Shareholders upon the [**REDACTED**]. For further details about our Single Largest Group of Shareholders, please see the section headed "Relationship with our Single Largest Group of Shareholders".

[**REDACTED**]

All statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] H Shares are [**REDACTED**] pursuant to the [**REDACTED**], (ii) the [**REDACTED**] is not exercised, and (iii) [**REDACTED**] Shares are [**REDACTED**] and outstanding following the completion of the [**REDACTED**]:

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
Market capitalization of our Shares[1]	HK$[**REDACTED**] million	HK$[**REDACTED**] million
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[2]	RMB[**REDACTED**] (HK$[**REDACTED**])	RMB[**REDACTED**] (HK$[**REDACTED**])

(1) The calculation of market capitalization of our Shares is based on (i) [**REDACTED**] H shares and [140,000,000] A shares expected to be in issue (representing [**REDACTED**] Shares expected to be in [**REDACTED**] and outstanding) immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), and (ii) the average closing price of the A Shares of the Company for the five trading days immediately preceding the Latest Practicable Date at RMB153.76 (or approximately HK$168.23) per A Share. For details, see "Share Capital — Upon Completion of the [**REDACTED**]" in this document.

(2) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share as of March 31, 2025 is calculated after making the adjustments referred to in "Appendix II — Unaudited [**REDACTED**] Financial Information" in this document.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the stated range of the [**REDACTED**] of between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**].

We intend to use the net [**REDACTED**] we expect to receive from the [**REDACTED**] for the purposes and in the amounts set out below:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for enhancing our R&D capabilities in the next three to four years, including:

  (i) Development of AI Frontier Fundamental Technology: for the upgrades and development of our AI fundamental technologies, including frontier AI core technologies, text intelligence technology empowered by multimodal LLM, AI agent technology and high-quality data foundation; and

  (ii) Product Development: for the R&D of our individual user AI products and enterprise AI products.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our business expansion in the next three years, including:

  (i) Global Operation Team and Marketing Network for Individual User Products.

  (ii) Global Sales and Service Network for Enterprise Products.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for potential strategic investments, merger and acquisition opportunities to facilitate our product upgrades, enhance our core technological capabilities and support our business expansion in the next three to five years.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

DIVIDEND

No dividends had been declared or paid by us during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. Pursuant to a shareholder resolution on May 9, 2025, we decided to pay a dividend of RMB2 per share in cash to all existing shareholders and carry out an issue of shares on the basis of 4 capitalization shares for every 10 shares in issue by way of capitalization of capital reserve. We had declared the dividend on May 20, 2025 and paid the dividend on May 26, 2025.

According to our articles of association, in the absence of significant investment plans or substantial cash outflows, we shall distribute, by way of cash dividends, not less than 20% of our distributable profits for each financial year. Furthermore, the aggregate cash dividends distributed over any consecutive three-year period shall, in principle, amount to no less than 30% of the average annual distributable profits for such period. In the event that we achieve sustained and stable growth in net profits, our Board may, at its discretion, propose an increase in the cash dividend ratio or declare stock dividends to enhance shareholder returns. In exceptional circumstances where the dividend pay-out thresholds cannot be met, our Board of Directors will provide a detailed explanation to the shareholders' meeting.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. During the Track Record Period, we did not incur any [**REDACTED**]. We expect to incur [**REDACTED**] of approximately HK$[**REDACTED**] (based on the mid-point of the indicative [**REDACTED**] range and assuming the [**REDACTED**] is not exercised), of which approximately HK$[**REDACTED**] will be directly attributable to the [**REDACTED**] of our Shares and capitalized, and the remaining HK$[**REDACTED**] will be expensed in our statements of profit or loss. Our Directors do not expect such expenses to materially impact our results of operations in 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Pursuant to a shareholder resolution on May 9, 2025, we decided to pay a dividend of RMB2 per share in cash to all existing shareholders and carry out an issue of shares on the basis of 4 capitalization shares for every 10 shares in issue by way of capitalization of capital reserve. We had declared the dividend on May 20, 2025 and paid the dividend on May 26, 2025.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025, being the end date of our latest audited financial statements, and there has been no event since March 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

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

"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and are listed for trading on the STAR Market of the Shanghai Stock Exchange and are traded in Renminbi
"Accountants' Report"	the accountants' report of our Company, the text of which is set out in Appendix I to this document
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on June 18, 2025 with effect from the [**REDACTED**], and as amended from time to time, a summary of which is set out in Appendix V to this document
"Board" or "Board of Directors"	the Board of directors of our Company
"Business day" or "business day"	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[**REDACTED**]

"China" or "PRC"	the People's Republic of China

"Companies (Winding up and Miscellaneous Provisions) Ordinance"	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company"	Intsig Information Co., Ltd. (上海合合信息科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on August 8, 2006, the A Shares of which have been listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688615)
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
"Exchange Participant(s)"	a person: (a) who, in accordance with the Hong Kong Listing Rules, may trade on or through the Hong Kong Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Hong Kong Stock Exchange as a person who may trade on or through the Hong Kong Stock Exchange

"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period

[**REDACTED**]

"GDP"	gross domestic product
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[**REDACTED**]

"Group," "our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)

[**REDACTED**]

"HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

[**REDACTED**]

"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[**REDACTED**]

[**REDACTED**]

"Latest Practicable Date"	June 17, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**REDACTED**]

"Macau"	he Macau Special Administrative Region of the PRC
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"Ministry of Finance" or "MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC GAAP"	generally accepted accounting principles of PRC
"PRC Legal Advisor"	Allbright Law Offices, the PRC legal advisors of our Company

[**REDACTED**]

"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"QIB" or "Qualified Institutional Buyer"	a qualified institutional buyer within the meaning of Rule 144A
"Regulation S"	Regulation S under the US Securities Act
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the US Securities Act
"SAC"	the Securities Association of China (中國證券業協會)
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Securities Law"	the Securities Law of the People's Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Shanghai Dingluo"	Shanghai Dingluo Investment Center (Limited Partnership) (上海頂螺投資中心(有限合夥)), a limited partnership established in the PRC on October 22, 2015, and a member of our Single Largest Group of Shareholders
"Shanghai Duanlin"	Duanlin (Shanghai) Technology Development Partnership Enterprise (Limited Partnership) (端臨(上海)科技發展合夥企業(有限合夥)), a limited partnership established in the PRC on April 25, 2018, and a member of our Single Largest Group of Shareholders
"Shanghai Linguan"	Shanghai Linguan Data Technology Co., Ltd. (上海臨冠數據科技有限公司), a limited liability company established in the PRC on November 8, 2017, our wholly-owned subsidiary
"Shanghai Muyiran"	Shanghai Muyiran Investment Center (Limited Partnership) (上海目一然投資中心(有限合夥)), a limited partnership established in the PRC on October 21, 2015, and a member of our Single Largest Group of Shareholders
"Shanghai Rongliran"	Shanghai Rongliran Investment Center (Limited Partnership) (上海融梨然投資中心(有限合夥)), a limited partnership established in the PRC on October 22, 2015, and a member of our Single Largest Group of Shareholders
"Shanghai Shengteng"	Shanghai Shengteng Data Co., Ltd. (上海生騰數據科技有限公司), a limited liability company established in the PRC on August 1, 2017, our wholly-owned subsidiary
"Shanghai Shihou"	Shanghai Shihou Investment Management Co., Ltd. (上海獅吼投資管理有限責任公司), a limited liability company established in the PRC on October 9, 2015, and a member of our Single Largest Group of Shareholders
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholders(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)

"Single Largest Group of Shareholders"	refers to collectively Dr. Zhen, Shanghai Shihou, Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo
"Sole Sponsor"	the sole sponsor named in the section headed "Directors and Parties Involved in the [**REDACTED**]" of this document

[**REDACTED**]

"STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板)
"State Council"	State Council of the People's Republic of China (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025
"US Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

[**REDACTED**]

"US$" or "US dollars"	United States dollars, the lawful currency of the United States

DEFINITIONS

[**REDACTED**]

"%"	per cent

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

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

The following is a glossary of certain terms used in this document in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

AGI	artificial general intelligence, the representation of generalized human cognitive abilities in artificial intelligence so that, when faced with any unfamiliar task that a human being is capable of, it could find a solution to perform such task
AI	artificial intelligence, a branch of advanced technological science dedicated to the research, development, and application of theories, methodologies, techniques and systems designed to simulate, enhance, and extend human intelligence
AI agent	an autonomous AI system or software entity that can perceive its environment, make decisions and take actions to achieve specific goals, often with reasoning and decision-making capabilities
AI model	an algorithm that relies on training data to recognize patterns and make predictions or decisions
AI products	scalable AI tools or applications that integrate AI algorithms with hardware, software, and cloud infrastructure to deliver automated, data-driven functionalities
AI-native	fundamentally designed with AI as a core component
AlexNet	a deep convolutional neural network proposed by Alex Krizhevsky, Ilya Sutskever and Geoffrey Hinton, which achieved image recognition accuracy far ahead of other competitors in the 2012 ImageNet competition, marking the beginning of the deep learning era
AIGC	AI generated content
Algorithm	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer

API	application Programming Interface, a set of callable interfaces that enable an application system to expose its functionalities externally, providing users or developers with seamless integration services for embedding into their own software or hardware
CAGR	compound annual growth rate, which equals to (Ending Value/Beginning Value)$^{(1/\text{Number of Years})}$ – 1
Cost-per-mille or CPM	a pricing model where advertising is paid on the basis of thousand impressions
CRM system	Customer Relationship Management (CRM), an information management system that leverages information science and technology to automate and manage activities such as marketing, sales, and customer service, enabling enterprises to deliver efficient, satisfactory, and comprehensive services to customers, with the ultimate goal of enhancing customer satisfaction and loyalty
Data scaling law	a principle in AI that suggests model performance improves predictably with increases in data volume, computational power, and model size, one of the three scaling laws of AI
Deep learning	a subset of machine learning that employs neural networks, designed to emulate the human brain's analytical and learning processes, to interpret complex data such as images, audio, and text by mimicking the brain's cognitive mechanisms
DIKI	Data-Information-Knowledge-Intelligence, an internal framework that structures the progression from raw data to actionable intelligence, used to create value chains in data-driven decision-making
Generative adversarial networks	a machine learning model in which two neural networks compete with each other to become more accurate in their predictions
GPU	graphic processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images

Hallucinations (in AI)	instances where AI models generate outputs that are incorrect, nonsensical, or not based on the input data, often a challenge in large language models
ICDAR	International Conference on Document Analysis and Recognition
ICFHR	International Conference on Frontiers in Handwriting Recognition
ICPR	International Conference on Pattern Recognition
ImageNet	an image database widely used for training and evaluating computer vision models. From 2010 to 2017, the ImageNet competition was held annually, using a subset of the dataset to benchmark the performance of submitted models
Inference-Time Training	a training approach for AI models that occurs during the inference phase (when the model is in use), allowing continuous learning and adaptation without retraining from scratch
Knowledge graph	a knowledge base that uses a graph structured data model to store and organize information
Large language model (LLM)	a computerized language model consisting of an artificial neural network with billions of parameters, trained on large quantities of unlabeled text using self-supervised learning or semi-supervised learning
Machine learning	a method for implementing AI, enabling computers to acquire new knowledge or skills and improve performance by reorganizing existing data structures
MAU	Monthly Active User(s), the total number of users who have recorded device activity within a calendar month (including actions such as app launches, visits, browsing, and clicks). This metric includes both mobile app and mini-program MAUs
MAU-paying user conversion rate	the ratio obtained by dividing the number of paying users by the number of MAU in a given period

Millisecond-level real-time processing	the capability of a system to process and analyze data in real time with extremely low latency, typically within milliseconds, enabling instant decision-making
Multimodal	refers to technologies or systems capable of processing and integrating multiple types of data (e.g., text, images, videos) simultaneously to enhance understanding and functionality
MWh	Megawatt-hour, a unit of energy that equals 1,000 kilowatts of electricity generated per hour and is used to measure electric output
Natural language processing (NLP)	a process in which systems accumulate data as they work and extract ever more accurate meaning from huge volumes of raw, unstructured, and unlabeled text and voice data sets through deep learning models and learning techniques
NPU	neural processing unit, a microprocessor that specializes in the acceleration of machine learning algorithms, typically by operating on predictive models
OCR	optical character recognition, the electronic or mechanical conversion of images of text into machine-encoded text
Paying user	user who completed at least one successful transaction during the reporting period, with each user counted only once per period regardless of transaction frequency
Post-training technologies	techniques used to refine and optimize AI models after initial training
Pre-training technologies	initial training of AI models on large, general datasets to build a broad knowledge base before fine-tuning for specific tasks
Q&A	questions and answers
R&D	research and development
Reinforcement learning	a machine learning training method based on rewarding desired behaviors and/or punishing undesired ones

SDK	software development kit, a set of software development tools that allows the creation of applications for a certain software package
Text intelligence	a focus on AI systems that prioritize the processing, understanding, and manipulation of text data as a core component of their intelligence, often combined with other data types
Transformer	a deep learning model, distinguished by its adoption of self-attention, differentially weighting the significance of each part of the input data

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

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

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- general political and economic conditions of jurisdictions in which we operate;
- our business operations and prospects;
- our capital expenditure plans;
- weather, natural disasters and climate change;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;

- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and business plans; and

- various business opportunities that we may pursue.

An [**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition and results of operations. The market price of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date, unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

The AI industry is characterized by constant changes. If we fail to develop new technologies to adapt to changing user and customer needs, industrial practices and rapid technological changes, our competitiveness may deteriorate and our business, results of operations and financial condition may be materially and adversely affected.

The AI industry is defined by constant and rapid changes, driven by continuous technological advancements, frequent introduction of innovative products, evolving customer expectations, and ongoing emergence of new industry standards, practices and regulatory frameworks. As a global leader in text intelligence technology empowered by multimodal LLM, our success hinges on our ability to swiftly and cost-effectively adapt to these dynamic shifts. This requires us to proactively anticipate emerging technologies such as advancements in AI, machine learning, NLP and knowledge graphs, and effectively assess their market potential. To maintain our competitive edge, we must consistently invest significant resources in R&D. For instance, in 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we incurred research and development expenses of RMB279.9 million, RMB323.4 million, RMB390.5 million, RMB83.6 million and RMB104.9 million, respectively. These investments are critical to ensuring that our AI products for individual users and our flagship enterprise product offerings, remain at the forefront of innovation and continue to meet the needs of individual users and enterprise customers.

However, new breakthroughs in AI or related fields could render our existing technologies obsolete or less competitive. Additionally, considering the inherent uncertainties of R&D, there is no assurance that our efforts will consistently yield successful technological innovations or that we will effectively commercialize them in a timely manner. Our ability to encapsulate cutting-edge AI capabilities into standardized, scalable products relies on our capacity to continuously optimize our adaptive learning systems and redeploy products across diverse industries. If we fail to keep pace with technological developments, anticipate shifts in user and customer demands, or meet evolving industry standards and regulatory requirements, our market position could weaken. This could materially and adversely impact our business, financial condition, results of operations and long-term growth prospects.

The AI industry is subject to evolving regulation. Future laws and regulations may impose additional requirements and other obligations.

The AI industry in China is rapidly evolving and we are subject to regulations along with rapid industry evolution. Our business is subject to extensive regulations governing the industry. Generative AI service providers shall (i) assume the responsibilities of content producers and perform network information security obligations; (ii) assume the responsibilities of processors of personal information to protect personal information; and (iii) process training data such as conducting pre-training optimization in accordance with applicable laws and regulations. In addition, the generative AI services providers with public opinion attributes or the capacity for social mobilization shall apply for security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》). See "Regulatory Overview — Main Laws and Regulations of The Industry and Industrial Policies." The interpretation and implementation of existing measures are evolving and the PRC regulatory agencies may further adopt new laws, regulations, rules or detailed implementation and interpretation related to the above-mentioned measures, which may negatively affect the industry in which we operate. As such, we cannot assure you that our compliance measures are, and will be, always considered sufficient under applicable laws and regulations.

AI technologies are rapidly evolving. We may experience misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or third parties.

AI technologies are rapidly evolving. Similar to many innovations, AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in China and other jurisdictions or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights such as privacy or personality rights. Such misuse could affect customer perception, public opinions, views of policymakers and regulators and result in decreased adoption of AI technologies.

We have adopted a series of measures to comply with data protection laws and regulations, including implementation of relevant policies and management system in relation to data privacy and personal information protection. See "Business — Data Security and Privacy." During the Track Record Period and up to the Latest Practicable Date, there had been no material litigation or other proceedings arising from or in relation to any infringement of relevant legitimate rights against us. However, we cannot assure you that the measures we take to comply with data protection laws and regulations will always be effective, or that our technologies will not be applied in a way that is inconsistent with our intention or public expectation. Any inappropriate or abusive usage of AI technologies, whether actual or perceived, intended or inadvertent and by us or by third parties, may dissuade prospective customers from adopting AI products and services, impair the general acceptance of AI products and services by the society, attract negative publicity and adversely impact our reputation and violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from certain shareholders and/or other organizations and heightened scrutiny by the regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

The PRC government has promulgated various laws, regulations and industrial policies governing AI technology ethics and governance, including the Opinions on Strengthening the Governance of Science and Technology Ethics (《關於加強科技倫理治理的意見》) and the Several Measures for Promoting the Innovation and Development of Large AI Models in Shanghai (2023-2025) (《上海市推動人工智能大模型創新發展若干措施(2023-2025年)》). These regulatory frameworks continuously enhance the requirements for ethical governance in the field of AI and strengthen the protection of personal privacy. Although our current business operations do not involve ethically sensitive areas in technology, any future changes in regulatory policies, or updates to existing industry policies and standards, may pose challenges to our business. If we fail to adapt to or comply with such evolving regulatory requirements and standards in a timely manner, our business and operation may be materially and adversely affected.

In addition, flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the decisions and analyzes made by the relevant products and services. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and products and services, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

We operate in a highly competitive industry. If we fail to compete effectively, we may not be able to maintain or may lose market share, users and customers.

The industry in which we operate is highly competitive. We primarily compete with other companies that focus on developing and commercializing AI technologies. Some of our existing or potential competitors may have longer operating histories, broader customer networks, more established brand recognition and greater financial and research resources than we do. They may also be able to respond faster to emerging technologies, regulatory changes or evolving customer demands. In the future, new market entrants may introduce disruptive technologies, adopt more aggressive pricing strategies or offer more localized products or solutions, further intensifying market competition.

Given the increasing investment being made globally in AI innovation and talent acquisition, we must continuously enhance our technology infrastructure, accelerate R&D, attract and retain leading AI scientists and engineers, and expand our product portfolio to remain competitive. This may require substantial capital expenditures and operational focus. Despite our strong foundation in the AI field, we cannot assure you that our efforts will be sufficient to maintain or grow our market share. If we fail to compete successfully, or if efforts to remain competitive require us to undertake costly or unsustainable strategies, our business, financial condition, operating results and future growth prospects could be materially and adversely affected.

If we are unable to improve the features, functionalities, performance and reliability of our existing AI products or to develop new AI products that gain market acceptance, our business, results of operations and financial condition may be materially and adversely affected.

Our continued success depends significantly on our ability to improve the functionality, performance, usability and scalability of our AI products, as well as to develop and introduce new innovations that are well-received by the market.

The AI industry is characterized by rapid technological change, shifting customer expectations and intense innovation cycles. To retain our leadership and expand our presence in both individual user and enterprise markets, we must continuously improve our existing product lines, adapt them to diversified real-world scenarios, and invest in the development of next-generation products. This includes updating underlying AI models, improving system interpretability and precision, strengthening security and stability and adapting our products to new hardware environments and regulatory requirements. Although we dedicate significant resources to R&D, and have established a strong track record of product innovation, maintaining this momentum requires ongoing investment. The development cycle for enhancing or launching AI products can be long and technically complex. There is also no guarantee that new releases or significant upgrades will meet market expectations or achieve wide-scale adoption, particularly in emerging or less-penetrated market segments.

In addition, customer needs are becoming increasingly complex. If we are unable to align our AI products with customers' evolving operational priorities, or if competitors introduce more compelling or better-integrated offerings, we may lose market share or fail to maintain our existing customer base.

If we are unable to effectively improve and expand our product portfolio, or if the new products, features, solutions, or services we introduce fail to gain user or customer acceptance, we may face reduced sales, lower renewal rates, or declining user base or customer engagement. These factors, individually or in combination, could materially and adversely affect our business, financial condition, operating results and prospects.

If we fail to expand our AI product offerings in new industries or scenarios, our business, financial condition, results of operations and prospects may be adversely affected.

Our ability to sustain long-term growth depends in part on successfully expanding our AI product portfolio across a wider range of industry verticals and customer scenarios. We may not always succeed in developing new products that meet the specific requirements of untapped markets, or in delivering these products in a timely and cost-effective manner. Even when we introduce new products, they may not achieve the expected levels of adoption or commercial success if they fail to deliver convincing performance, user experience or cost efficiency. If we are unable to successfully expand into new industries, adjust our product roadmap in response to emerging trends, or maintain cost-effective innovation, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Furthermore, if any of our competitors introduce new products ahead of us, better anticipate innovation and integration opportunities in related industries or sectors, or implement them more cost-effectively, they could potentially offer more efficient or less expensive products than ours, which could negatively impact our ability to retain existing customers, attract new ones and impede our margin expansion, and our business, results of operations, financial condition and prospects might be adversely affected.

Our historical growth may not be indicative of our future growth.

We experienced rapid revenue growth during the Track Record Period. Our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, and further increased by 21.2% to RMB1,438.1 million in 2024. Our revenue increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025. Nevertheless, we cannot assure you that we will be able to sustain our historical growth for various reasons, including uncertainty regarding our continual launch of new products and intensified competition within the industry in which we operate in China. Our revenue, expenses and operating results may vary from period to period due to factors beyond our control. As a result of these and other factors, we cannot assure you that our future revenues will increase or that we will continue to be profitable. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

In addition, our anticipated expansion and investment in new products may place a significant strain on our managerial, operational, financial and human resources. Our current and planned personnel, systems, procedures and controls may not be adequate to support our future operations. We cannot assure you that we will be able to effectively manage our growth or implement all such systems, procedures and control measures successfully. If we are not able to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

If our products contain serious errors or defects, our business, prospects and financial results may be materially and adversely affected.

Products in the AI industry, such as those we develop and offer, may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when newly launched or when new versions, updates or feature enhancements are released. Our AI products may contain bugs, vulnerabilities or performance issues that we may be unable to identify and resolve in a timely manner or at all. These issues may result in revenue loss, increased support and remediation costs, delayed or diminished market acceptance, reputational damage, disputes, litigations and other legal proceedings, all of which could materially and adversely affect our business, brand, financial condition and results of operations.

Moreover, due to the cloud-based architecture that powers many of AI products, we typically deploy updates, patches and new versions simultaneously across our user base. As such, errors, defects or vulnerabilities introduced in any release can affect all users concurrently, amplifying the potential consequences of a malfunction and elevating the risk to mission-critical business operations for our users.

Given that many of our products are embedded in key workflows and business-critical processes, particularly for enterprise customers across industries such as finance, logistics and retail, any system failure, usability issue or service disruption could directly impact our enterprise customers' operations. In such cases, customers may request compensation for losses incurred, seek to terminate or scale back their engagement with us, or share negative feedback publicly, including on social media or peer review platforms. This could erode trust in our products and harm our reputation, making it more difficult for us to attract new users or customers or retain existing ones.

Although our user agreements typically include provisions intended to limit our liability for such issues, there is no assurance that these limitations will be effective or sufficient to protect us from financial or reputational harm. Even in cases where we ultimately prevail, legal claims or disputes could consume significant time and resources, potentially harming our brand reputation and market standing.

We have been and intend to continue investing significantly in R&D, which may negatively impact our profitability and operating cash flow in the short-term and may not generate the results we expect to achieve.

We have been investing heavily in our R&D efforts. We incurred research and development expenses of RMB279.9 million, RMB323.4 million, RMB390.5 million, RMB83.6 million and RMB104.9 million in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, representing 28.3%, 27.3%, 27.2%, 25.6% and 26.6% of our revenues in the same periods. The industry in which we operate is subject to rapid technological advancement and continuous innovation. We need to invest significant resources, including financial resources, in R&D to make technological advances in order to expand our AI product offerings and make our AI products innovative and competitive in the market. As a result, we expect that our research and development expenses will continue to increase significantly.

However, our R&D investment may not always generate satisfactory benefits. Development activities are inherently uncertain, and we may not be able to obtain and retain sufficient resources including qualified R&D personnel. Even if we succeed in our R&D efforts and generate the results we expect, we may still encounter practical difficulties in commercializing our development results. Given AI technologies' ongoing rapid developments, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner to catch up with industry trends, or at all. New technologies in the AI industry could render our technologies, our technological infrastructure or products that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related product development costs, which could adversely affect our business, results of operations and financial condition.

We may incur significant costs associated with our branding and marketing efforts, and some marketing campaigns may not be effective in attracting or retaining users or customers.

Maintaining and elevating our brand recognition is an integral part of executing our growth strategies and bolstering our market standing. The effectiveness of our brand promotion hinges not only on the quality of our products and the excellence of our technologies, but also on the successful implementation of our branding and marketing initiatives. We foster brand visibility to attract new users and customers to our AI products as well as retain our existing users and customers through various online and offline marketing efforts. Our efforts to market our brand have incurred significant costs and expenses and we intend to continue to do so. However, there can be no assurance that our marketing efforts will necessarily translate into escalating revenue, and even if they did, such revenue increases might not suffice to counterbalance the associated expenses.

Furthermore, our brand promotion and marketing undertakings might not be well received by users and customers and may not yield the projected sales volumes. Our continued growth also require us to improve cost control measures and optimize operational efficiency. We therefore need to constantly review the effectiveness and efficiency of our marketing activities or control the resources allocated thereto. There can be no guarantee that our efforts to improve marketing efficiency will be successful. Failure in doing so may result in cost overruns and lost of market share, and therefore adversely affect our business, results of operations and financial condition.

Our international business is subject to various risks and uncertainties. If we are unable to manage the risks presented by our expansion in international markets, our financial results and future prospects may be adversely impacted.

During the Track Record Period, we generated a portion of our revenue from other countries and regions. Our revenue from other countries and regions was RMB353.6 million, RMB396.7 million, RMB465.5 million, RMB107.4 million and RMB132.5 million in 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, representing 35.8%, 33.4%, 32.4%, 32.9% and 33.5% of our total revenue in the respective period. We expect to expand further into international markets, and may subject ourselves to the following risks:

- challenges in providing products and support, in recruiting personnel in international markets, and in managing sales resources effectively;

- revenue fluctuation from period to period in the future due to unfavorable market conditions, intensified competition, unattractive products, downward pressure on our pricing strategy and any other inherent risks associated with our international business operations;

- challenges in commercializing our AI products in new markets where we have limited experience with the local market dynamics;

- difficulties in dealing with regulatory regimes, regulatory bodies and government policies with which we may be unfamiliar, in order to obtain permits, licenses and approvals necessary to market and sell our AI products in or to various jurisdictions;

- potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual rights;

- differences in accounting treatment in different jurisdictions, potential adverse tax implications and foreign exchange losses;

- inability to effectively enforce contractual or legal rights;

- different overseas regulations for our products, consumer protection and product compliance regulations; and

- changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant jurisdictions.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in international markets will be impaired, or our international business may not be able to achieve or sustain profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our brand and brand name are integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.

We believe that maintaining, promoting and enhancing our brand and brand name is critical to expanding our business. Maintaining and enhancing our brand and brand name depends largely on our ability to continue to provide high-quality, well-designed, useful, reliable and innovative AI products, which we cannot assure you we will do successfully. Additionally, negative publicity regarding our industry or products may also impact our brand and reputation, which in turn could affect our business.

Errors, defects, disruptions or other performance issues with our infrastructure may harm our reputation and brand, and we may introduce new products which might be poorly received by individual users and enterprise customers. Additionally, if our customers have a negative experience using our products, it may affect our brand and reputation within the industry.

We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide genuinely useful and user-friendly products at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. Our efforts to market our brand have involved significant costs and expenses, which we intend to increase going forward. We cannot assure you, however, that our marketing spend will lead to increases in the number of users or customers or revenue, and even if such were achieved, such increases in revenue may not be sufficient to offset expenses we incur in building and maintaining our reputation and brand name.

If we are unable to maintain a consistently high level of customer service, this may materially and adversely impact our brand, business and financial results.

We believe that delivering high-quality customer service is a key part of our value proposition, and is important to the adoption, retention and satisfaction of both individual users and enterprise customers of our AI products. Our three core individual user products, *CamScanner*, *CamCard and Qixinbao,* with global user base and our enterprise products deployed across nearly 30 industries require ongoing customer support to ensure seamless onboarding, continued engagement and long-term usage of our products.

Our customer service team helps customers utilize our AI technologies effectively, troubleshoot real-time issues, address data security concerns and stay informed about new features and upgrades. If we are unable to maintain a consistently high level of customer support, we may see a decline in user and customer satisfaction, which could harm our ability to retain long-term users and customers.

In addition, our ability to attract new users and customers is dependent on our reputation and on positive recommendations from existing users and customers. Therefore, any failure to maintain a consistently high level of customer service, or any market perception that we do not provide that level of customer service, could adversely affect our reputation and the number of positive user or customer referrals that we receive.

We may require additional financing to support our development plans or adapt to changes in business conditions, but we may not be able to obtain additional financing on acceptable terms or at all.

We need to make continued investments in R&D activities and technological systems to remain competitive. However, we cannot assure you that we will be able to obtain adequate financing on commercially reasonable terms, or at all, when needed, particularly if our operational performance falls short of expectations. If we fail to obtain necessary funding in a timely manner or on favorable terms, our ability to fund our operations, take advantage of potential business opportunities, develop or enhance our AI products or respond to competitiveness from our peers could be limited, and we may be unable to meet the demands of existing and prospective users and customers, which in turn could adversely affect our business, financial condition and results of operations.

Advertisements shown on our products may subject us to penalties and other administrative actions.

In addition to our AI product offerings, we also provide display-based advertising services on our individual user products for our customers. In this service, we provide advertising placement for enterprises, which generally operate their own network advertising systems. These third-party advertising platforms then, based on their requirements, display information from their end users on these advertising spots.

Advertising laws and regulations require advertisers, advertising operators and advertising distributors to ensure that the content of the advertisements they prepare or distribute is fair and accurate and is in full compliance with the relevant laws and regulations. In addition, for specific types of advertisements, such as those related to pharmaceuticals, medical instruments, agrochemicals and veterinary pharmaceuticals, advertisers, advertising operators and advertising distributors must confirm that the advertisers have obtained the requisite government approvals, including the advertisers' operating qualifications, proof of quality inspection of the advertised products and services, and, with respect to certain industries, government approvals of the content of the advertisements and filings with the local authorities. Violation of these laws and regulations may subject us to penalties, including fines, confiscation of advertising income, orders to cease the dissemination of the advertisements, and requirements to publish corrective announcements to rectify any misleading information. In circumstances involving serious violations, governmental authorities may force us to terminate our advertising operation or revoke our business licenses. We are also subject to overseas advertising laws and regulations in relation to our advertising services provided overseas. We cannot assure you that all the content contained in the advertisements displayed by our customers is true and accurate as required by the advertising laws and regulations.

Our operating metrics and other estimates are subject to inherent challenges in measuring our operating performance, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We rely on certain key operating metrics, such as MAUs and number of paying users to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to variations in calculation methodologies and underlying assumptions. Measuring such core metrics and company data involves inherent complexities, and the process can be susceptible to potential delays and technical inaccuracies. If we identify substantial inaccuracies in the operating metrics we utilize, or if these metrics are perceived as unreliable by external parties, our reputation may be harmed and the credibility of our evaluation methodologies and outcomes might be undermined, which could negatively affect our business. If investors make investment decisions based on inaccuracies within the disclosed operating metrics, we might also be exposed to potential legal actions or disputes.

Our strategy of making strategic alliances, acquisitions and investments may fail and may result in material and adverse impacts on our financial condition and results of operations.

As part of our business growth strategy, we may, in the future, acquire or make investments in businesses or companies that we believe can expand and strengthen our ability to commercialize our AI technologies, monetization abilities and our technological capacities. Our ability to implement our acquisition strategy will depend on our ability to identify suitable targets, our ability to reach agreements with them on commercially reasonable terms and within a desired time frame, and the availability of financing to complete acquisitions, as well as our ability to obtain any required shareholder or government approvals. Our strategic acquisitions and investments could subject us to uncertainties and risks, including high acquisition and financing costs, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve our intended objectives, benefits or revenue-enhancing opportunities, uncertainty of entering into markets in which we have limited or no experience, and in which competitors have stronger market positions, costs associated with, and difficulties in, integrating acquired businesses and managing a larger business, and diversion of our resources and management attention. Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations. Even if we are able to successfully acquire or invest in suitable businesses, we cannot assure you that we will achieve our expected returns on such acquisitions or investments. As of the Latest Practicable Date, we had not identified or pursued any acquisition target. If we fail to identify or acquire suitable projects or achieve our expected returns on such acquisitions or investments in the future, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Acquisitions also pose the risk that we may be exposed to successor liability relating to the actions by an acquired company and its management before and after the acquisition. The due diligence that we conduct in connection with an acquisition or investment may not be sufficient to discover unknown liabilities, and any contractual guarantees or indemnities that we receive from the sellers of the acquired companies or investment target companies and/or their shareholders may not be sufficient to protect us from, or to compensate us for, actual liabilities. A material liability associated with an acquisition or investment could adversely affect our reputation and reduce the benefits of the acquisition or investment. In addition, if the management team or key employees of an acquired company fail to perform as expected, this may affect the business performance of such acquired company and, in turn, have a material adverse effect on our business, financial condition and results of operations.

Major mobile app distribution channels and any third-party payment channel may interpret or change their standard terms and conditions in a manner that is detrimental to us or terminate their existing relationships with us.

We rely on third-party mobile app distribution channels to distribute our mobile apps including *CamScanner*, *CamCard* and *Qixinbao* to users. We expect a substantial number of downloads of our mobile apps will continue to be derived from these distribution channels. As a result, the promotion, distribution and operation of our apps are subject to such distribution platforms' standard terms and policies for mobile app developers, which are subject to the interpretation of and frequent changes made by, these distribution channels.

According to CIC, mobile app distribution channels usually have a strong bargaining power. Their terms and policies for mobile app developers favor themselves in general. They also have broad discretion in interpreting their terms and policies, and determining if there are any non-compliance or violations by mobile app developers. If any major distribution channel interprets or changes its standard terms and conditions in a manner that is detrimental to us, or terminates its relationship with us, we may not be able to find a replacement in a timely manner or at all and the distribution of our mobile app may be adversely affected. In addition, changes to the credit period or the settlement cycle of these distribution channels may materially and adversely affect our cash flow. Disputes with distribution channels, such as disputes relating to intellectual property rights, distribution fee arrangements and billing issues, may also arise from time to time and we cannot assure you that we will be able to resolve such disputes in a timely manner or at all. Any failure on our part to maintain good relationships with a sufficient number of popular platforms for the distribution of our mobile app could cause the number of our mobile app downloads and activations to decrease, which will have a material and adverse effect on our business, results of operations, financial condition and prospects.

In addition, we provide individual users with the option to purchase and renew membership subscriptions to our products through third-party payment channels. While these channels offer convenience and widespread coverage, particularly in the China market, we may face risks associated with them. We are partially reliant on these third-party payment channels to successfully process subscription payments for our users. Any outage, service disruption, technical failure, or error in their system may prevent users from completing transactions, resulting in revenue loss, reduced conversion rates and customer dissatisfaction. Moreover, we have no control over these third-party payment channels' policies, technical standards, fee structures, settlement practices, fraud prevention mechanisms, or terms of service. For instance, if these third-party payment channels decided to increase their commission fees charged on us, our operational costs may increase. Such cost increases may, in turn, necessitate adjustments to the pricing of our products, potentially leading to reduced demand, lower customer retention, or adverse impacts on our competitive position. Any unfavorable changes to these policies could adversely impact our business, results of operations, financial condition and prospects.

Fluctuations in exchange rates may adversely affect our results of operations.

A substantial portion of our revenues and cost of sales is denominated in RMB. However, as we also operate our business in certain geographic markets outside of mainland China, we are subject to risks associated with foreign currency exchange fluctuations.

Changes in the value of foreign currencies could affect the results of our revenue from other countries and regions. Our revenue from other countries and regions was RMB353.6 million, RMB396.7 million, RMB465.5 million, RMB107.4 million and RMB132.5 million in 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 35.8%, 33.4%, 32.4%, 32.9% and 33.5% of our total revenue for the same periods. Foreign currency-denominated income from the principal businesses of our overseas income primarily consisted of (i) subscription fee from our individual user products for image text processing, and (ii) advertising. Such income is denominated primarily in USD.

It is difficult to predict how external factors may impact the exchange rate of RMB to HKD, USD or other foreign currencies in the future. During the Track Record Period, we had maintained certain hedging policies in an effort to reduce our exposure to foreign exchange risks, and we may maintain, or further enhance, our hedging policies in the future. However, the availability and effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our exposure or at all.

Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business and results of operations.

We seek to establish risk management and internal control systems consisting of an organizational framework, policies, procedures and risk management methods that are appropriate for our business operations, and seek to continue to improve these systems. See "Business — Risk Management and Internal Control." However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all noncompliance incidents in a timely manner or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective.

Our risk management and internal controls also depend on their effective implementation by our employees. Due to the significant size of our operations, we cannot assure you that such implementation will not involve any human errors or mistakes, which may materially and adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of products in the future, the diversification of our product offerings will require us to continue to enhance our risk management capabilities. If we fail to timely adapt our risk management policies and procedures to our changing business, our business, results of operations and financial condition could be materially and adversely affected.

Unauthorized use of our technologies, trade secrets and intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.

We regard our proprietary technologies, copyrights, trademarks and other intellectual properties as critical to our success and rely on a combination of trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. Although our contracts with our business partners prohibit the unauthorized use of our brands, images, and other intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties. Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We may be subject to third-party intellectual property infringement claims or other allegations, which may materially and adversely affect our business, results of operations, financial condition and prospects.

We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that third parties will not put forward claims that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether such claims are valid or otherwise. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. In particular, we may face claims from software developers or font creators alleging unauthorized use of their proprietary softwares, algorithms or font designs in our products. Such claims may arise from our use of third-party software components, programming libraries or font assets in our development process, even if we believe our usage is properly licensed or authorized. In addition, our AI products may become involved in litigious proceedings relating to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, unauthorized use of certain public information or infringement of data ownership, defamation and other violations of rights of third parties. The validity, enforceability and scope of protection of intellectual property rights are still evolving. As we face increasing competition and as litigation becomes a more commonly pursued method for resolving commercial disputes, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable final outcomes in all cases. Such intellectual property claims may harm our brand and reputation, even if they are vexatious or do not result in liability. Any resulting liability or expenses, or changes required to our products or services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

Systems disruptions, distributed denial of service attacks, other hacking and phishing attacks on our systems or security breaches may delay or interrupt our business operation, harm our reputation and subject us to significant liability, which, in turn, may adversely affect our business, results of operations and financial results.

We may encounter system disruptions and distributed denial of service attacks (DDoS), a technique used by hackers to take an Internet service offline by overloading its servers. Our infrastructure may be subject to such attacks and breaches in the future and we cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. Additionally, our infrastructure and systems may also be breached if any vulnerabilities therein are exploited by unauthorized third parties.

Since techniques used to obtain unauthorized access change frequently and the scale of DDoS attacks, hacking, and phishing attacks are increasing, we may not be able to implement sufficient preventative measures or stop the attacks while they are occurring. DDoS attacks, other hacking and phishing attacks or security breaches could delay or interrupt our services to users and customers. Any actual or perceived attacks or security breaches may also damage our reputation and brand, expose us to risks of potential litigation and liabilities, and require us to expend capital and other resources to alleviate problems caused by such attacks or security breaches. Should a high-profile or highly publicized security breach occur with respect to another AI product, users may lose confidence in the security of such products, including ours, as a whole, which would have a material adverse impact on our ability to retain existing users and attract new ones.

In addition, our business operations involve data processing activities, including data collection, data storage and analysis. We also store our product users' data, public commercial data and other information in our system which we technically de-identify. We are subject to a series of laws and regulations in relation to data protection and data security, including but not limited to, the PRC Personal Information Protection Law, Data Security Law, Cybersecurity Law, Regulations on Network Data Security Management, and Measures for the Administration of Internet Information Services. Our business operations do not involve any cross-border transfer of data from mainland China. However, unauthorized third parties may circumvent our security measures, misappropriate proprietary information and cause interruptions in our information technology systems. Any actual or perceived security breach that leads to leakage of our confidential information, even though anonymized, could still interrupt our operations. During the Track Record Period and as of the Latest Practicable Date, we had not experienced major leakage of personal information, and had not received any material regulatory and legal proceedings in relation to laws and regulations of personal information protection. We are not aware of any material non-compliance of data protection laws and regulations. In addition, we cannot assure that our privacy and data protection measures will always be considered sufficient in all aspects under applicable laws and regulations. The effectiveness of our privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation and deter current and potential users or customers from using our products, which will adversely affect our business, results of operations and financial condition.

We may be the subject of anti-competitive, harassing, or other detrimental conduct by third parties including complaints to regulatory agencies, negative social media postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenues.

We may be the target of anti-competitive, harassing or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. In particular, we may receive complaints regarding our products submitted by users, customers, competitors, or anonymous sources. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us, on an anonymous basis. Customers value readily available information concerning products and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media is virtually immediate, as is its impact. Social media platforms instantly publish the content posted by their subscribers and participants, typically without any verification or fact-checking of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our business, results of operations, financial results and prospects. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which, in turn, may cause us to lose market share, customers and revenues.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent disclosure of our know-how, trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. Although we enter into employment agreements with confidentiality and intellectual property ownership clauses with our employees, we cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time, or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Our business depends substantially on the continuing efforts of our management and other key personnel, as well as a competent pool of talents that support our operations and future growth, and we may not be able to retain, attract, recruit and train such personnel.

Our success depends on our ability to retain existing management and other key personnel including renowned scientists and attract, recruit and train a large number of qualified employees. In particular, we rely on our R&D team to develop advanced AI algorithms and technologies and experienced sales personnel to attract customers and increase their level of engagement with us. To compete for talent, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

We face risk associated with the exposure of fair value changes for our financial assets at fair value through profit or loss and valuation uncertainty.

During the Track Record Period, we had invested in wealth management products and may, from time to time, invest in such products in the future. As of December 31, 2022, 2023 and 2024 and March 31, 2025, our financial assets at fair value through profit or loss amounted to RMB531.1 million, RMB1,111.2 million, RMB1,544.7 million and RMB1,672.2 million, respectively. We are exposed to credit risk in relation to such investments, which may adversely affect the net changes in their fair value. Our investments may earn yields substantially lower than anticipated, and the fair value of our investments may fluctuate significantly, which contribute to the uncertainties in valuation. The financial assets at fair value through profit or loss are stated at fair value, and net changes in their fair value are recorded under net other gains/(losses), and therefore directly affect our results of operations. If we record fair value losses, our financial condition, results of operations and prospects may be adversely affected. See Note 16 to the Accountants' Report in Appendix I to this document.

We use significant unobservable inputs, such as the expected yield of the underlying investment portfolio and discount rate, in valuing such financial assets. Accordingly, such determination requires us to make significant estimates, which may be subject to material changes. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets. The valuation may involve a significant degree of judgment and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations.

We may grant options and other types of awards which may result in increased share-based payment expenses.

We believe the granting of share-based compensation awards is of significant importance to our ability to attract and retain key personnel and employees, and we may grant share-based compensation awards in the future. As a result, our expenses associated with share-based compensation may increase, which may have a material and adverse effect on our financial condition and results of operations, and issuance of additional shares for future share-based compensation awards may dilute our shareholding. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans, if adopted, will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees. In case we decide to reserve and issue additional shares under our share incentive plans, if adopted, your interests in our Company will be further diluted by such issuance.

Our failure to fulfill our obligations in respect of contract liabilities may materially and adversely affect our liquidity and financial position.

Our contract liabilities mainly arise from the advance payments made by customers while the underlying services are yet to be provided. We recorded contract liabilities of RMB444.1 million, RMB529.0 million, RMB520.7 million and RMB499.5 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Contract liabilities." There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the fulfillment of our performance obligations is subject to various factors that are beyond our control. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial position may be adversely affected.

Service disruptions or delays from third-party providers, including data center hosts, hardware vendors and software suppliers, or failures in our capacity planning and outage management may materially and adversely affect our business and results of operations.

We use third-party data center hosting facilities. We also use computer hardware purchased from and software licensed from third parties to support the provision of our products. Any system failure or disruption, whether affecting our internal systems or those of our third-party service providers, could interrupt our ability to offer and maintain our products, which could have a material and adverse effect on our operations. Our business and reputation may also be harmed if our existing or potential users or customers perceive our products to be unreliable.

We do not control the operation of any of these facilities provided by third-party providers, which may be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. These facilities may also be subject to break-ins, sabotage, intentional acts of vandalism and similar criminal conduct, as well as local administrative actions, changes to legal or regulatory requirements and litigious proceedings to stop, limit or delay operations. Despite precautions taken by our third-party providers at these facilities, such as disaster recovery and business continuity arrangements, the occurrence of an act of terrorism or natural disaster, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions to our services.

Additionally, such hardware, software and data may not continue to be available to us at reasonable prices, on commercially reasonable terms, or at all. If we lose our right to use any of such hardware, software or cloud computing platforms, this could significantly increase our expenses or otherwise result in disruption to our product offerings and customer support until equivalent technology is either developed by us, or, if available, is identified, obtained through purchase or license and integrated into our services. If the performance of such third parties proves unsatisfactory, or if any of them violates its contractual obligations to us, we may need to replace such third party and/or take other remedial action, which could result in additional costs and materially and adversely affect the products we provide to our users and customers. Further, the financial condition of our third-party providers may deteriorate over the course of our contract term with them, which may also impact the ability of such third party to provide the agreed services, and have a material adverse effect on the products we provide to our customers and our results of operations.

We utilize open-source software and algorithms in our business operations. Failure to comply with the terms and conditions specified in one or more of these open-source licenses could adversely affect our business, especially concerning our proprietary software and systems.

We use open-source software and algorithms in our business and expect to continue to use open-source software and algorithms in the future. Although we monitor our use of open-source software and algorithms to avoid subjecting our software and algorithms to conditions we do not intend, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software and algorithms, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our AI products. In such an event, we may be required to seek licenses from third parties to continue commercially offering our products, to make our proprietary code generally available in source code form, to re-engineer our products or to discontinue the sale of our products if re-engineering cannot be accomplished on a timely basis, any of which could adversely affect our business and revenue.

The use of open-source software and algorithms subjects us to a number of other risks and challenges. Open-source software and algorithms are subject to further development or modification by anyone. Others may develop such software or algorithms to be competitive with, or render such software or algorithms no longer useful by, us. It is also possible for competitors to develop their own products using open-source software and algorithms, potentially reducing the demand for our products. Additionally, as we develop and release our own open-source software and algorithms, there are risks that third parties may misuse or improperly implement our open-source software and algorithms, which could result in security vulnerabilities, system failures or other issues in their applications. Such incidents could damage our reputation and brand image, even though the issues were caused by third-party implementation rather than our original code. If we are unable to successfully address these challenges, our business and operating results may be adversely affected and our development costs may increase.

Misconduct or illegal activities of our employees, shareholders, users, customers, suppliers and other related personnel could harm our business and reputation.

Misconduct and illegal activities by our employees could lead to liability and negative publicity. There can be no assurance that our employees will not engage in misconduct or omissions that could materially and adversely affect our business, results of operations and financial condition. Similarly, misconduct or illegal activities by our shareholders, users, customers, suppliers and their respective employees, such as fraud, unauthorized conduct and misuse of user information, could lead to disputes between us and the counter-parties, negative publicity about us, or damage to our reputation. We cannot assure you that our shareholders, users, customers, suppliers and their respective employees will not be involved in misconduct which may adversely affect our business, results of operations and financial condition. If we fail to identify misconduct or non-compliance in the business practices of our employees, shareholders, users, customers, suppliers and other related personnel we conduct business with, or if such misconduct or non-compliance will not be corrected in a prompt and proper manner, our business activities and reputations could be harmed, which may in turn affect our business, financial condition and results of operations. Furthermore, it may not always be possible to prevent or detect misconduct of these parties. Any misconduct by these parties, including fraudulent activities, non-compliance with laws and regulations, unethical business practices, or any other actions that are inconsistent with our corporate policies and values, could result in legal proceedings, regulatory fines and other penalties, further damaging our reputation, eroding consumer trust and leading to loss of business, decreased market share and potential difficulties in attracting and retaining users and customers.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers settled their payments with us through third-party payors (the "Third-Party Payment Arrangement(s)"). In 2022, 2023, 2024 and the three months ended March 31, 2025, the aggregate amount of third-party payments accounted for approximately 0.004%, 0.003%, 0.006% and 0.004% of total revenue of the relevant periods, respectively. We had ceased all Third-Party Payment Arrangements in June

2025 and we will not enter into similar third-party payment arrangements in the future. In addition, we have implemented a series of mitigation measures and enhanced internal control measures to safeguard us against risks associated with Third-Party Payment Arrangements. See "Business — Third-Party Payment Arrangements." We are, nonetheless, subject to various risks relating to such Third-Party Payment Arrangements, including possible claims from third-party payors for return of funds as they were not contractually indebted to us, and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings instituted or brought against us in respect of third-party payments, we will have to spend financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected.

We require various approvals, licenses, permits and certifications to operate our business, and any failure to obtain or renew any of these approvals, licenses, permits or certifications could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. Complying with such laws and regulations may require substantial expense, and any noncompliance may expose us to liability. We have designed and adopted strict internal procedures to ensure compliance of our business operations with relevant laws and regulations, and to ensure that we obtain necessary approvals, licenses, permits and certifications for our business operations. However, we cannot guarantee that we will be able to obtain all requisite approvals, licenses, permits and certifications. In addition, as the regulatory regime for the industries in which we operate continues to evolve, new laws, regulations and regulatory requirements are promulgated and implemented. We may be required to obtain approvals, licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. In the event of noncompliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain all the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See "Regulatory Overview" for further details on the requisite approvals, licenses, permits and certifications for business operations. We may also experience adverse publicity arising from noncompliance with government regulations, which would negatively impact our reputation.

We may be subject to legal and administrative proceedings in the ordinary course of our business from time to time. Additionally, negative allegations against us may be posted on the internet. If the outcome of these proceedings or the information posted online is adverse to us, it could have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects.

We may be subject to legal proceedings from time to time in the ordinary course of our business, which could have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period, we did not experience any material employee-related disputes. We may be subject to labor disputes in the ordinary course of our business. In addition, we may receive formal and informal inquiries from governmental authorities and regulators regarding our compliance with applicable laws and regulations. Claims arising out of actual or alleged violations of laws and regulations could be asserted against us by our users, customers, business partners, competitors or governmental entities in civil or criminal investigations and proceedings or other third parties. These claims could be asserted under a variety of laws and regulations, including, but not limited to, advertising laws, internet information services laws, intellectual property laws, unfair competition laws, data protection and privacy laws, labor and employment laws, securities laws, tort laws, contract laws, property laws and employee benefit laws. In particular, the PRC government in recent years has enacted a series of laws and regulations on the protection of personally identifiable data to which we may be subject. Cybersecurity Review Measures, enacted by the Cyberspace Administration of China effective on February 15, 2022, requires (i) data processors who carry out data processing activities and (ii) any "operator of critical information infrastructure that procures network products or services" to conduct a cybersecurity review if they will affect or may affect national security. In addition, any failure or delay in the completion of the cyber security review procedures or any other noncompliance or perceived noncompliance with the PRC Cybersecurity Law or related regulations may prevent us from using or providing certain services, and may result in fines or other penalties by the PRC regulatory authority, customers or others, such as making certain required rectifications, suspending our related business, taking down our operations and bringing actions against us.

During the Track Record Period, there were no administrative penalties that could, individually or in the aggregate, have a material effect on our business, financial condition or results of operations, and up to the Latest Practicable Date, there were no legal, arbitral or administrative proceedings against us that could, individually or in the aggregate, have a material effect on our business, financial condition or results of operations. However, there can be no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions may expose us to negative publicity, substantial monetary damages and legal defense costs, injunctive relief, and criminal and civil fines and penalties, including, but not limited to, suspension or revocation of our licenses to conduct business.

We are subject to the risks associated with international policies, geopolitics and trade protection measures, export control and economic or trade sanctions.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and sanctions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. For example, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. Such laws and regulations are likely subject to frequent changes, and their interpretation and enforcement involves substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are out of our control. Such potential restrictions, as well as any associated inquiries or investigations or any other government actions, may be difficult or costly to comply with and may, among other things, delay or impede the development of our technology and products, hinder the stability of our supply chain, and may result in negative publicity, require significant management time and attention and subject us to fines, penalties or orders that we cease or modify our existing business practices, any of which may have a material and adverse effect on our business, financial condition and results of operations.

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "EAR"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "Entity List"). The export, re-export and/or transfer (in-country) of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers and suppliers are listed on the Entity List and subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

Our business currently benefits from certain government grants and preferential tax treatment. Failure to obtain government grants or preferential tax treatment that we expect to obtain, or the future discontinuation, reduction or delay of any of the government grants or preferential tax treatment we currently enjoy could adversely affect our business, results of operations and financial condition.

During the Track Record Period, we enjoyed preferential tax treatment at different levels under relevant preferential tax policies. We cannot assure you of the continued availability of such tax preferences. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations.

We may also receive government grants from time to time. Our government grants amounted to RMB15.1 million, RMB7.3 million, RMB14.7 million and RMB2.8 million in 2022, 2023 and 2024 and the three months ended March 31, 2025, respectively. See "Financial Information — Major Components of our Results of Operations — Other Revenue." As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In some cases, we are required to satisfy certain conditions or contractual obligations before receiving government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it is possible that governmental authorities may discontinue such grants or require partial or full repayment of the government grants we previously received. Any reduction, cancellation or repayment resulting from our failure to perform such obligations could adversely affect our business, results of operations and financial condition.

Legal defects regarding some of our leased properties and failure to renew our current leases or locate desirable alternatives for our leased properties could materially and adversely affect our business.

We lease properties primarily for our offices. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations, which could adversely affect our business, financial condition and results of operations. In addition, even though we could extend or renew our leases, rental payments may increase as a result of the market demand for leased properties.

As of the Latest Practicable Date, one of the lessors of our leased properties had not provided us with its property ownership certificate proving the right to lease the property to us. If the lessor is not the owner of the property and has not obtained consents from the owner or the lessors, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owner or the parties who have the right to lease the properties. Our Directors believe that our use of the property will not have a material adverse effect on our business, financial condition or results of operations. Even if we are required to vacate the property, we believe that we would be able to readily find comparable replacement premises, and the costs and expenses incurred in connection with such relocation are expected to be immaterial. As of the Latest Practicable Date, we were not aware of any ownership controversy or dispute or third-party claims, nor had we been imposed any administrative penalties.

Furthermore, as of the Latest Practicable Date, lease agreements of our leased properties had not been registered and filed with the competent PRC government authorities as required by applicable PRC laws and regulations. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Although the failure to complete the registration and filing of lease agreements will not affect the validity of such leases or impede our use of the relevant properties, it could result in the imposition of fines up to RMB10,000 for each leased property that is unregistered if we fail to rectify the noncompliance after we are required to do so by the relevant PRC governmental authorities.

We may not have sufficient insurance coverage to cover our potential liability or losses.

We believe we maintain insurance policies in accordance with the commercial practices in our industry. See "Business — Insurance." Nevertheless, the insurance coverage for our products and business operations is limited. Any uninsured occurrence of business disruption, litigation or natural disaster or significant damages to our uninsured properties or operations could have a material adverse effect on our business, financial condition and results of operations. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Any negative publicity regarding our Company, Directors, employees or products, regardless of its veracity, could damage our reputation and materially and adversely affect our business, results of operations, financial condition and prospects.

Our image is sensitive to the public's perception of us as a business in entirety, which includes not only the efficiency, security and competitiveness of our products and services, but also our corporate management and culture. We cannot guarantee that no one will, intentionally or incidentally, distribute information about us, especially information regarding the efficiency and security of our products and services or management matters, that may result in negative perceptions of us by the public. Any negative publicity about our Company, Directors, employees or products and services, regardless of veracity, could lead to potential loss of customer confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, financial condition, results of operations, reputation and prospects may be materially and adversely affected.

The growing emphasis on environmental, social and governance matters may result in increased costs or expose us to additional risks. Failure to comply with the laws and regulations on environmental, social, and governance matters may subject us to penalties and adversely affect our business, results of operations and financial condition.

In recent years, the relevant government authorities and public advocacy groups have placed an increasing emphasis on environmental, social, and governance (the "ESG") issues, making our business more susceptible to ESG matters, changes in governmental policies, laws and regulations associated with environmental protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the relevant government authorities on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or not commit capital based on their assessment of a company's ESG practices. Any concerns or issues related to ESG could increase our regulatory compliance costs. If we fail to adapt to or comply with the evolving expectations and standards regarding ESG matters from investors and the relevant government authorities, fail to meet ESG objectives, or are perceived as not responding appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage, and the business, results of operations and financial condition could be materially and adversely affected. In addition, to address any ESG risks, we may incur additional costs, which may materially and adversely affect our financial performance.

We face risks related to natural disasters, health epidemics and other business continuity problem, which could significantly disrupt our business, results of operations and financial condition.

Should we experience a local or regional disaster or other business continuity problem, such as an earthquake, hurricane, terrorist attack, pandemic, security breach, power loss, telecommunications failure or other natural or man-made disaster our continued success will depend, in part, on the availability of personnel, office facilities, and the proper functioning of the computer, telecommunication and other related systems and operations. We could potentially experience material adverse interruptions to our operations or delivery of products to users and customers in a disaster recovery scenario.

Our suppliers and customers are also subject to the risk of catastrophic events. In those events, our ability to deliver our products in a timely manner, as well as the demand for our products, may be adversely impacted by factors outside our control. If our systems were to fail or be negatively impacted as a result of a natural disaster, pandemic or other catastrophic event, our ability to deliver our products to our users and customers would be impaired, our reputation could suffer, and we could be subject to contractual penalties.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could affect our business, financial condition and results of operations.

A substantial part of our assets and operations are located in China. In addition, we operate our business in a number of other geographic markets across Asia and globally. Accordingly, our business, financial condition and results of operations could also be influenced by political, economic and social conditions in these markets. Economic growth in each of our geographic markets has been uneven, both geographically and among various sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

Any downturn in regional or global economy, or deterioration of geopolitical environment could affect our business, financial condition and results of operations.

The growth of the regional and global economy has slowed in recent years. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. There also have been concerns over the geopolitical tension in recent years. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies as well as the expected overall economic growth rate.

It is unclear whether these challenges and uncertainties will be effectively managed or resolved and what effects they may have on the global political and economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs. As a result, our business, financial condition and results of operations may be adversely affected.

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

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of the industry in which we operate and affect our business, financial condition and results of operations.

You may have limited recourse in effecting services of legal process or enforcing overseas judgments against us, our Directors and our senior management.

A substantial part of our assets, and all of our Directors and senior management, are located in China. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult. As a result, it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC. In addition, investors may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

On January 18, 2019, the Supreme People's Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "Arrangement"), which came into effect on January 29, 2024 and seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the mainland China. The Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. After the Arrangement became effective, a judgment rendered by a Hong Kong court can generally be recognized and enforced in the mainland China even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the mainland China, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the Arrangement.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange (the "SAFE"); however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be affected. Moreover, non-compliance with any applicable foreign exchange regulations could subject us to administrative penalties and fines, and could affect our business and reputation.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial condition and results of operations. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal control policies, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines or sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing and future capital raising activities issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines, which had become effective on March 31, 2023 (the "Overseas Listing Regulations"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("PRC domestic companies") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See "Regulatory Overview — Laws and Regulations on Overseas Offering and Listing." The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

Our payment of dividends is subject to restrictions under applicable laws and regulations.

We rely, in part, on dividend from certain subsidiaries for cash requirements. However, our payment of dividends is subject to restrictions under applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of our PRC subsidiaries' accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, in the future, if any of our subsidiaries incurs debt on its own behalf, the instruments governing the debt may impose restrictions on its ability to pay dividends or other payments to our Company. The inability of our subsidiaries to distribute dividends or other payments to our Company could significantly affect the amount of liquidity available to supply the development and growth of our business.

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

Under the Enterprise Income Tax Law of the PRC (EIT Law) and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of China with "de facto management bodies" located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The State Administration of Taxation of the PRC, or SAT, has subsequently provided further guidance on the implementation of Circular 82.

Although our offshore subsidiaries have operations in the countries or regions where they located, as our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, they could be subject to the EIT at 25% on their global income, except that the dividends they receive from our PRC subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." It is, however, unclear what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

Our operations are subject to, and may be affected by, changes in tax laws and regulations in the countries and regions where we operate.

The PRC EIT Law imposes a tax rate of 25% on business enterprises. Some of our subsidiaries are entitled to preferential tax treatment. See Note 7 to the Accountants' Report in Appendix I to this document. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also have subsidiaries in countries and regions overseas and are subject to various taxes. See Note 7 to the Accountants' Report in Appendix I to this document. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our international operations may expose us to risks associated with the overseas tax policy changes. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

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

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Several jurisdictions in which we operate impose restrictions on foreign ownership of businesses. Changes in relevant laws and regulations or policies could affect our business, financial condition and results of operations.

Foreign investors are subject to restrictions on foreign ownership in certain industries in several jurisdictions where we operate. The governments of these jurisdictions in which we operate may re-evaluate or amend the relevant laws and regulations or policies, and changes in the laws and regulations or policies, including their application or interpretation, could require us to remove or amend our existing arrangements or reduce our voting or economic interests in any existing or future subsidiaries and associates in these jurisdictions. Any such removal, amendment or reduction could affect our ability to successfully implement our business strategies and operate in the relevant jurisdictions. Furthermore, we cannot assure you that our subsidiaries or associates will be able to comply with any new restrictions on foreign ownership because compliance may be affected by whether other shareholders are considered domestic or foreign investors, as determined in accordance with the applicable laws and regulations. If foreign ownership restrictions are determined to have been violated, penalties could be imposed and relevant licenses or agreements could be cancelled or voided. Any of these events could affect our business, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of the PRC and Hong Kong.

As we are listed on the STAR Market of the Shanghai Stock Exchange and will be [**REDACTED**] on the [**REDACTED**] of the Stock Exchange, we will be required to comply with the listing rules where applicable and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and resources in complying with the requirements of both jurisdictions.

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the STAR Market of the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the STAR Market of the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the [**REDACTED**] of the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and [**REDACTED**] volume will develop and be sustained following the completion of [**REDACTED**]. The initial [**REDACTED**] for our H Shares to the public will be the result of negotiations between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the market price of the H Shares following the [**REDACTED**].

We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]). However, the [**REDACTED**] on the Stock Exchange does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the market price of the H Shares will not decline following the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could materially and adversely affect the market price of our H Shares.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Since there will be a gap of several days between the [REDACTED] and [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the [REDACTED] price of our H Shares could fall during this period before the [REDACTED] of our H Shares begins.

The [**REDACTED**] of our H Shares is expected to be determined on the [**REDACTED**]. However, our H Shares will not commence [**REDACTED**] on the Stock Exchange until they are delivered, which is expected to be several business days after the pricing date. As a result, investors may not be able to sell or otherwise deal in our H Shares during that period. The price of our H Shares could fall before [**REDACTED**] begins due to adverse market conditions or other adverse developments between the time of sale and the date on which the [**REDACTED**] begins.

You will incur immediate and substantial dilution, and may experience further dilution in the future.

The [**REDACTED**] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the H Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. In order to expand our business, we may consider [**REDACTED**] and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

Actual or perceived sale or availability for sale of substantial amounts of our Shares could adversely affect the market price of our Shares.

Future sales of a substantial number of our H Shares, especially by our Directors and executive officers, or the perception or anticipation that such sales might occur, could negatively impact the market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Certain amount of the H Shares controlled by our single largest shareholder are subject to certain lock-up periods beginning on the date on which [**REDACTED**] in our H Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their H Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any H Shares they may own now or in the future. In addition, certain existing Shareholders of our H Shares are not subject to lock-up agreements. Market sale of H Shares by such Shareholders and the availability of these H Shares for future sale may have a negative impact on the market price of our Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

We have declared dividends in the past. However, there is no assurance that we will declare dividends in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. The declaration, payment and amount of our future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "going forward", "intend", "plan", "project", "seek", "expect", "may", "ought to", "should", "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Certain facts, forecasts and other statistics in this document are derived from various publicly available official sources and independent third-party sources, including the industry expert reports, which have not been independently verified and may not be reliable.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the industry in which we operate and other economic data. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, any of the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors and advisors, affiliates or any other persons or parties involved in the [**REDACTED**], and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the STAR Market of the Shanghai Stock Exchange.

As our A Shares are listed on the STAR Market of the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time we publicly release information relating to ourselves on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities and market practices in the PRC which are different from those applicable to our H Shares. Such information does not and will not form a part of this document. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective investors in our H Shares are reminded that, in making their [**REDACTED**] decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution our investors not to rely on any information contained in press articles or other media coverage relating to us, our Shares and the [**REDACTED**]. There has been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**]. We have not authorized the disclosure of any information concerning the [**REDACTED**] in the press or media. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong in making your [**REDACTED**] decision regarding our H Shares. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) we are headquartered in the PRC; (ii) the substantial portion of the business operations of our Group are managed and conducted outside Hong Kong; and (iii) our executive Directors and senior management principally reside in the PRC where our Group is headquartered, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the sole purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Therefore, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) we have appointed Mr. LIU Chen (劉忱) ("**Mr. Liu**") and Mr. NG Tung Ching Raphael (吳東澄) ("**Mr. Ng**") as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon request of the Stock Exchange;

(b) to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of our Directors (i.e. mobile phone number, office phone number and email address). In the event that any of our Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact our Directors. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange; and

(c) we have appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**") in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of our Company with the Stock Exchange during the period from the [**REDACTED**] to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the [**REDACTED**]. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, Note 2 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

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

(d) professional qualifications in other jurisdictions.

We have appointed Mr. Liu as one of our joint company secretaries. Mr. Liu, who serves as the secretary of the Board of the Company and has substantial experience in board and corporate management matters, presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Ng, who fully meets the requirements stipulated under Rule 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries. Mr. Ng will assist Mr. Liu for an initial period of three years from the [**REDACTED**], enabling Mr. Liu to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See "Directors and Senior Management" in this document for further biographical details of Mr. Liu and Mr. Ng. The following arrangements have been, or will be, put in place to assist Mr. Liu in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

(a) Mr. Liu will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company's Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time.

(b) Both Mr. Liu and Mr. Ng have confirmed that each of them will attend a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of the company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;

(c) Mr. Ng will assist Mr. Liu to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company.

(d) Mr. Ng will communicate regularly with Mr. Liu on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Mr. Ng will work closely with Mr. Liu to jointly discharge the duties and responsibilities as a company secretary, including organizing our Company's Board meetings and Shareholders' meetings.

(e) Prior to the expiry of Mr. Liu's initial term of appointment as the company secretary of our Company, we will re-evaluate his experience to determine if he has acquired the qualifications required under Rules 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Liu's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

(f) The Company has appointed Somerley Capital Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the [**REDACTED**] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [**REDACTED**], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company (including Mr. Liu) as to the compliance with the Listing Rules and all other applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when (i) Mr. Liu is no longer assisted by a person with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we shall demonstrate to the Stock Exchange's satisfaction and seek its confirmation that Mr. Liu, having had the benefit of Mr. Ng's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[**REDACTED**]

[REDACTED]

For further information on our Directors, see "Directors and Senior Management" of this document.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. ZHEN Lixin (鎮立新)	Room 1001 No. 322, Wuning South Road Jing'an District, Shanghai PRC	Chinese
Mr. CHEN Xinshan (陳青山)	Room 903, No. 1 Lane 570, East Jiangwan Road Shanghai PRC	Chinese
Mr. LONG Teng (龍騰)	No. 900, West Yan'an Road Changning District, Shanghai PRC	Chinese
Mr. LIU Chen (劉忱)	No. 307, Yongxing Road Jing'an District, Shanghai PRC	Chinese
Ms. LIU Yaqin (劉雅琴)	Room 403, No. 1 Lane 860, Gaoping Road Shanghai PRC	Chinese
Non-executive Director		
Mr. HUANG Guoqiang (黃國強)	A9, North Fourth Ring East Road Chaoyang District, Beijing PRC	Chinese
Independent non-executive Directors		
Mr. SIU Chi Hung (蕭志雄)	Flat A2, 28/F Timber House 74 Waterloo Road Homantin, Kowloon Hong Kong	Chinese
Mr. JIANG Xiangyu (江翔宇)	Lane 538, Haifang Road Jing'an District, Shanghai PRC	Chinese
Mr. WANG Shaofei (王少飛)	No. 777, Guoding Road Yangpu District, Shanghai PRC	Chinese

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong

[REDACTED]

Auditor and Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road, Central Hong Kong
Legal Advisors to the Company	*As to Hong Kong and United States laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong
	As to PRC law: **Allbright Law Offices** 9, 11/F–12/F, Shanghai Tower No. 501 Yincheng Middle Road Pudong New Area Shanghai, PRC
	As to PRC data compliance laws: **King & Wood Mallesons** 18th Floor, East Tower World Financial Center 1 Dongsanhuan Zhonglu Chaoyang District Beijing, PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong and United States laws:* **Herbert Smith Freehills Kramer** 23rd Floor Gloucester Tower 15 Queen's Road Central Hong Kong
	As to PRC law: **Jia Yuan Law Offices** F408, Ocean Plaza 158 Fuxing Men Nei Avenue Xicheng District Beijing, PRC
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road, Jing'an District Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	Room 1105-1123 No. 1256, 1258 Wanrong Road Jingan District Shanghai PRC
Headquarters and Principal Place of Business in the PRC	Room 1105-1123 No. 1256, 1258 Wanrong Road Jingan District Shanghai PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Company's Website	**https://www.intsig.com/** *(The information contained in this website does not form part of this Document)*
Joint Company Secretaries	Mr. LIU Chen (劉忱) Room 1105-1123 No. 1256, 1258 Wanrong Road Jingan District Shanghai PRC Mr. NG Tung Ching Raphael (吳東澄) *(Associate member of The Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom)* 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Authorized Representatives	Mr. LIU Chen (劉忱) Room 1105-1123 No. 1256, 1258 Wanrong Road Jingan District Shanghai PRC

	Mr. NG Tung Ching Raphael (吳東澄) 46/F, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Audit Committee	Mr. WANG Shaofei (王少飛) *(Chairman)* Mr. JIANG Xiangyu (江翔宇) Mr. SIU Chi Hung (蕭志雄)
Nomination Committee	Mr. JIANG Xiangyu (江翔宇) *(Chairman)* Ms. LIU Yaqin (劉雅琴) Mr. SIU Chi Hung (蕭志雄)
Remuneration and Evaluation Committee	Mr. WANG Shaofei (王少飛) *(Chairman)* Dr. ZHEN Lixin (鎮立新) Mr. JIANG Xiangyu (江翔宇)
Strategy Committee	Dr. ZHEN Lixin (鎮立新) *(Chairman)* Mr. CHEN Qingshan (陳青山) Mr. WANG Shaofei (王少飛)
Compliance Advisor	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong

[**REDACTED**]

Principal Banks	**China Construction Bank Shanghai Guoding Road Sub-branch** 1/F, No. 346 Guoding Road Yangpu District Shanghai PRC
	Bank of China Shanghai Xinjiangwan Town Sub-branch Room 103, No. 1280 Yinhang Road Yangpu District Shanghai PRC

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited ("CIC"). We engaged CIC to prepare an independent industry report in connection with the **[REDACTED]** *(the "CIC Report"). The information from official government sources has not been independently verified by us, the Sole Sponsor,* **[REDACTED]**, **[REDACTED]**, **[REDACTED]**, *any of the* **[REDACTED]**, *any of its directors and advisors, or any other persons or parties involved in the* **[REDACTED]**, *and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate.*

OVERVIEW OF THE GLOBAL AI PRODUCTS MARKET

Development History of AI

AI, as the core driving force of today's digital world, is reshaping human life with unprecedented impact. The development of AI has undergone five stages with gradually maturing technology and expanding boundaries of capabilities, as is illustrated in the diagram below.

Development history of AI

Source: CIC

Stage 1: Symbolic Logic and Rule-Based Systems (1950s-1980s)

The development of AI began in the 1950s with early explorations into logic reasoning and symbolic systems. Researchers built rule-based expert systems to simulate human thought processes. The key breakthrough during this stage was the demonstration that formal reasoning could be computationally modeled. However, constrained by the technology of the time, these systems were only capable of handling highly structured problems and struggled with the ambiguity and complexity of the real world. Therefore, AI products during this period are primarily for academic research and limited to rule-based problems, with only applications such as simple human-machine interaction and medical diagnosis assistance achieving modest commercialization.

Stage 2: Statistical Models and Neural Networks (1990s-2011)

By the 1990s, neural networks and statistical models began to replace symbolic systems, driving major advances in processing unstructured data such as images, speech, and natural language. This laid the groundwork for deep learning. The central innovation of this phase was enabling machines to learn patterns directly from data. Consequently, single-task systems such as static image recognition, template-based machine translation and speech recognition emerged, though they offered limited cross-task transferability. However, models still relied heavily on manually engineered features, and different data types, such as images and text, were processed using distinct methods.

Stage 3: Deep Learning (2012-2017)

In 2012, AlexNet's dominant performance in the ImageNet competition marked the mainstream adoption of deep learning, ushering in a new era of real-world AI applications. This period saw a wave of algorithmic innovation, including various forms of deep convolutional and recurrent networks, achieving human-level performance in specific tasks such as image classification and natural language processing. The introduction of training frameworks, such as TensorFlow and PyTorch, further accelerated the adoption of large-scale parallel training. AI products in this phase are highly capable in specific application scenarios such as facial recognition and security surveillance. Despite these advancements, AI still struggled to integrate and generate across multiple data modalities.

Stage 4: Converging Model Architectures (2017-2022)

The introduction of the Transformer architecture in 2017 revolutionized natural language processing with its self-attention mechanism, enabling unified representations across text, images, and other data types. This breakthrough catalyzed the proliferation of large pre-trained models such as GPT-3, laid the foundation for the era of LLMs, and validated the feasibility of multimodal contrastive learning through models, such as CLIP. Applications such as image-text alignment, semantic search, and contextual understanding emerged. However, AI systems still struggle with logical consistency in generative tasks due to the absence of true reasoning capabilities.

Stage 5: LLMs as Path to AGI (After 2023)

The release of ChatGPT in 2022 marked a turning point as LLMs entered commercial deployment, with AGI emerging as the long-term ambition. These models represent a new paradigm in deep learning, significantly enhancing AI's ability to perceive, comprehend and decide. With strong transfer learning capabilities and increasingly human-like performance in general domains, LLMs now offer more advanced multimodal understanding and output, as exemplified by GPT-4o and Gemini. Meanwhile, reasoning models such as GPT-o1 have been introduced, demonstrating enhanced abilities in logic, mathematics and complex multi-step reasoning. They are widely regarded as a critical stepping stone on the path to AI Agents and ultimately AGI.

Three Pillars of AI

Computing power, data and algorithms are the three foundational pillars of AI, jointly driving its evolution.

Computing Power

With the rapid advancement of relevant technologies, computational performance of AI chips continues to improve, while the cost of computing power steadily decreases, gradually lowering the barriers to developing and deploying AI models. Especially in the era of LLMs, where centralized training and distributed inference are essential, efficient computing architectures and optimized system designs are proving more adaptable, hence becoming a defining trend in the future of computing power.

Data

Data provides material for training AI models, enabling them to learn complex patterns and relationships, and to deliver accurate predictions and insights on previously unseen inputs. The scale, quality and diversity of training data have a direct influence on model performance. If training data contains excessive noises, it can lead to hallucinations and other issues during real-world applications.

For Chinese AI companies in particular, a key challenge lies in the dominance of English-language data across mainstream training corpora, with relatively limited representation of Chinese, underscoring the imperative to develop high-quality Chinese corpora. Furthermore, a significant portion of high-value data exists in unstructured and multimodal formats, such as financial research reports, patent filings, and academic papers that often contain complex charts, multi-format tables, and intricate mathematical formulas. Extracting value from these contents requires advanced document parsing technologies capable of accurately recognizing and analyzing the data.

Algorithms

Innovation in algorithms remains the most powerful lever for improving AI performance and optimizing efficiency. They define the upper limits of AI capabilities, with breakthroughs in this area often resulting in huge leaps in the level of model intelligence.

AI model architecture has progressed from early rule-based systems to a variety of neural network structures, culminating in today's Transformer, MoE (Mixture of Experts), and RLHF (Reinforcement Learning with Human Feedback), among others. Moreover, efficient algorithms can help address bottlenecks in computing power and data availability, unlocking greater potentials from existing computing resources and reducing reliance on massive datasets, thereby improving model capabilities.

Commercialization of AI Technology

AI technology has evolved from symbolic logic and rule-based systems toward general intelligence, fundamentally elevating capabilities from perception to cognition and ultimately decision-making. Looking ahead, as multimodal LLMs become deeply integrated with real-world environments, AI products and solutions will increasingly serve as critical tools for intelligent decision-making by both individual users and enterprises.

The commercialization of AI technology primarily follows two models: pure software and software and hardware integration. Within AI software, AI products differ from AI solutions in that they feature standardized delivery with unified product interfaces, model architectures and data interfaces, enabling scalability, fast deployment and quick response to market demand. They are suitable for a wide range of use cases, covering both individual users and enterprises. The chart below illustrates approaches of commercialization of AI technology.

Approaches of commercialization of AI technology

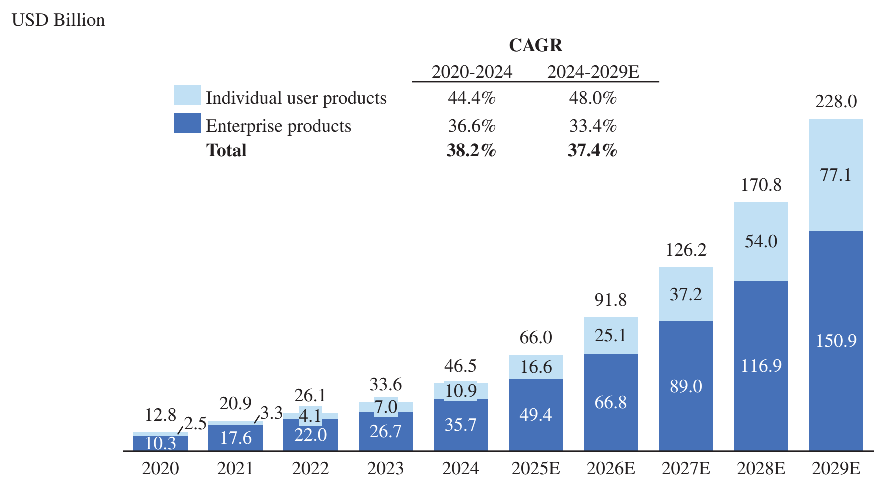
Models	Types	Definition and Features	Revenue Streams
Software	AI Products	Standardized delivery with unified product interfaces, model architectures, and data interfaces; scalable and quick to deploy; suitable for diverse use cases of individual users and enterprises.	Subscription, license, advertising, etc.
	AI Solutions	Custom-developed to meet specific enterprise needs; highly tailored and integrated; longer deployment cycles; limited replicability.	Project-based, development services, etc.
Software and hardware integration	AI devices	Devices embedded with AI algorithms, such as all-in-one machines, AI smartphones, AI robots, etc.	Device sales and services

Source: CIC

Based on their target users, AI products can be categorized into individual user products and enterprise products. Individual user products are designed to enhance efficiency and capabilities in areas such as learning, work and entertainment. Enterprise products are developed for corporates and institutions, leveraging technology- and data-driven approaches to help them solve problems more efficiently and accurately, thereby streamlining workflows and boosting productivity.

According to CIC, the global AI products market size reached USD46.5 billion in 2024, and is expected to grow to USD228.0 billion by 2029, representing a CAGR of 37.4%.

Market size of global AI products, in terms of revenue, 2020-2029E



Source: CIC

Development Trends of the Global AI Products Market

Technology Driving Innovation

Continued R&D investment by AI companies is significantly enhancing the intelligence of AI products, enabling them to better understand user intent and operate more reliably in complex, dynamic environments.

AI products are undergoing a paradigm shift of capabilities, from perception to comprehension and now to decision-making. Early AI products focused on single-pattern recognition, such as text and image recognition. The later integration of technologies such as natural language processing, multimodal processing and knowledge graphs enabled AI's deeper understanding of information from multiple sources, thus enhancing product performance and functionalities. More recently, breakthroughs in LLMs, reinforcement learning and long-context reasoning have empowered AI products to perform complex reasoning and make decisions in increasingly sophisticated scenarios.

Products Covering Comprehensive Needs

User preferences, usage patterns and behaviors can now be efficiently processed and learned by AI products. As AI's long-context processing capabilities grow, its boundary of capabilities is expanding from handling isolated tasks to supporting users across more complex and integrated workflows.

On the individual users' side, with robust privacy protections in place, AI products can leverage full user histories to better understand individual needs and preferences, serving as long-term intelligent assistants across different scenarios in daily life.

On the enterprises' side, AI products continuously learn from business patterns, proactively identify needs and dynamically optimize workflows, while ensuring compliance and data security. This supports a fully closed-loop process — from demand identification to solution design, execution and performance evaluation.

Application Across Diverse Scenarios

AI products are being deployed in a growing range of vertical and cross-industry scenarios. On the individual users' side, AI has entered such domains such as personal efficiency, creative content generation and social entertainment. In manufacturing, AI enables end-to-end quality control and predictive maintenance. In retail, it supports demand forecasting and intelligent replenishment to optimize inventory and improve operational efficiency. In healthcare, AI models based on image recognition and multi-modal diagnostic tools help clinicians to locate lesions and personalize treatment plans more effectively.

Looking ahead, as user demand grows, industry-specific knowledge bases mature and AI capabilities continue to advance, AI products are expected to unlock an even broader array of applications, delivering lasting value for both individual users and enterprises.

OVERVIEW OF THE GLOBAL INDIVIDUAL USER AI PRODUCTS MARKET

Types of Individual User AI Products

Individual user AI products can be classified into efficiency products, creativity products and others, based on usage scenarios. The key features, functions and representative products are illustrated in the table below.

Categories of individual user AI products

Type	Key Features and Functions	Representative Products
Efficiency	To improve efficiency in everyday tasks by saving time and streamlining workflows. Typical functions include document parsing, automatic transcription of meeting notes, etc.	ChatGPT, Adobe Acrobat, CamScanner
Creativity	To assist users with content creation and editing. Typical functions include image editing, video production, special effects and music composition.	Adobe Photoshop, CapCut
Others	Include applications in social entertainment, education and others.	–

Source: CIC

Value Propositions of Efficiency AI Products

Over 80% of global data related to individual users is unstructured, encompassing paper documents, images, audio and video, among others. Its fragmented, heterogeneous, and high-volume nature presents significant challenges for information processing.

In common scenarios, such as digitizing paper records, extracting key data from images, or translating multilingual content, traditional methods rely heavily on manual input, visual comparison and repeated verification. Conventional information systems often lack the ability to accurately interpret and utilize such data, leading to errors, inefficiencies, and missed opportunities for value creation.

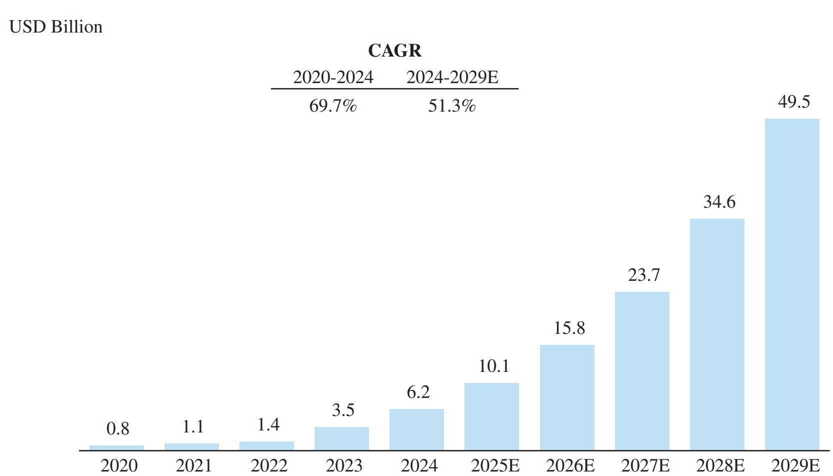
Efficiency AI products address these challenges by leveraging advanced technologies, including LLMs, multimodal processing, and natural language processing, to deliver intelligent solutions. These products surpass human efforts and legacy tools in core tasks such as information extraction, storage, parsing, and classification. They also adapt to specific application scenarios, enabling structured transformation and semantic understanding of processed data. This creates a fully intelligent workflow that spans data acquisition, insight generation, and value realization, converting disorganized, unstructured data into usable, analyzable digital assets.

Efficiency AI products are characterized by high usage frequency and essential utility. They meet users' core efficiency needs while fostering habitual use through consistent delivery of tangible value, driving strong user engagement and retention. Additionally, these products offer significant potential for large-scale commercialization. Through business models such as subscriptions and freemium features, they unlock robust monetization pathways, enhancing profitability and customer loyalty. As demand for efficiency improvements continues to rise, efficiency AI products are well-positioned for long-term market relevance and sustained competitive advantage.

Market Size of the Global Individual User Efficiency AI Products

According to CIC, the global individual user efficiency AI products market size reached USD6.2 billion in 2024, and is expected to grow to USD49.5 billion by 2029, representing a CAGR of 51.3%.

Market size of global individual user efficiency AI products, in terms of revenue, 2020-2029E



Source: CIC

Drivers for the Global Individual User Efficiency AI Products

Technological Advancements Enhancing Product Capabilities

Continuous advancements in AI technologies have significantly elevated the performance and intelligence of efficiency AI products, transforming them from basic "functional assistants" into sophisticated "intelligent assistants." Emerging capabilities, such as layout analysis powered by large language models, multimodal text analysis, and AI-driven image optimization, enable these products to interpret and even enhance low-quality, unstructured content. These technologies can detect and correct issues such as lighting, skew, color inconsistencies and background noise in documents, converting photos into clean, readable files suitable for archiving, search and further processing, including Q&A and data extraction.

Growing Demand for Enhanced Efficiency

In a fast-paced society characterized by information overload and increasingly complex life scenarios, optimizing efficiency has become a critical need. Efficiency AI products have evolved from passive support tools into proactive enablers, minimizing manual intervention and driving significant improvements in personal productivity.

Today's efficiency AI products utilize deep learning, multimodal processing, intelligent scheduling, and adaptive workflow engines to autonomously manage complex tasks, such as integrated analysis of text, images, video, and audio. Concurrently, individual users are increasingly receptive to these tools, demonstrating higher engagement, stickiness, and willingness to pay. Their growing familiarity and proficient use of efficiency AI products are accelerating mainstream adoption, establishing these tools as essential components of daily life.

Mobile Device Penetration Driving Efficiency Scenarios

Smartphones, tablets, and other mobile devices have become central to both work and daily life for individual users. Efficiency AI products, particularly those optimized for mobile platforms, have increased the flexibility and convenience of task execution, fueling global demand for such solutions.

Seamless cross-device functionality and lightweight design enable multi-device coordination without disrupting workflow or information consistency. Meanwhile, widespread 5G connectivity and advancements in cloud computing allow complex processing to be offloaded to the cloud, delivering real-time results and overcoming device limitations. Together, these advancements create a smoother, more powerful user experience, positioning efficiency AI products as indispensable assistants.

Competitive Landscape

The global individual user efficiency AI products market comprises a large number of players and product types. A monthly active user (MAU) base of over 100 million is generally considered the threshold for identifying a "super app" with strong user scale, market presence and monetization potential.

Our Company ranked fifth globally among individual user efficiency AI products companies with over 100 million MAUs, in terms of relevant revenue in 2024, and was the largest Chinese company therein.

Ranking of the Global Individual User Efficiency AI Products Market, 2024

Rank	Company	Market Share (%)	Country	Background
1	Company A	26.8%	U.S.	An artificial intelligence foundation model solutions provider founded in 2015.
2	Company B	20.2%	U.S.	A multinational technology company founded in 1998.
3	Company C	8.9%	U.S.	A multinational technology company founded in 1982.
4	Company D	3.8%	U.S.	A multinational technology company founded in 1975.
5	Our Company	2.5%	China	–

Notes:

(1) The ranking includes only companies with over 100 million MAUs of individual user efficiency AI products as of 2024.

(2) Company A is an artificial intelligence foundation model solutions provider headquartered in the U.S. and founded in 2015. It primarily operates in the development and commercialization of LLMs. It is a private company.

(3) Company B is a multinational technology company headquartered in the U.S. and founded in 1998. It primarily operates across online advertising, search technologies, cloud computing, software, quantum computing, e-commerce, consumer electronics and artificial intelligence services. It is a listed company on NASDAQ.

(4) Company C is a multinational technology company headquartered in the U.S. and founded in 1982. It delivers a comprehensive suite of productivity and creative software for document solutions, image/video/audio editing, web and UX design, and animation and motion graphics. It is a listed company on NASDAQ.

(5) Company D is a multinational technology company headquartered in the U.S. and founded in 1975. It primarily operates across sectors such as internet services, cloud computing and video gaming. It is a listed company on NASDAQ.

Source: CIC

Competitive Barriers of the Global Individual User Efficiency AI Products

Technical Expertise

Advanced technology forms the foundation of efficiency AI products. Developing these products demands significant R&D investment to create sophisticated algorithms, enhance computational efficiency, and translate technical innovations into features that address real user needs. Teams with deep technical expertise can quickly adapt to market dynamics, deliver precise updates, and demonstrate a nuanced understanding of user behavior and pain points. This sustained technical capability establishes a high barrier to entry for less experienced competitors.

User Base, Stickiness and Reputation

A large, active user base provides critical insights for refining product features and enables continuous optimization of the user experience. User stickiness, reflecting the extent to which users consistently return to and depend on a product, is a key measure of product-market fit. Products deeply integrated into users' workflows are challenging to displace, ensuring stable market share and long-term adoption. A strong reputation drives organic growth and lowers customer acquisition costs.

Monetization Capabilities

Efficiency AI products must deliver clear, indispensable value in a market where many solutions are perceived as free utilities. Developing a robust monetization engine through diverse revenue streams, such as subscriptions, premium features, and advertising, not only supports ongoing development and operations but also fuels user acquisition, retention, and market expansion. Effective monetization strengthens commercial viability and raises the competitive threshold for new entrants.

Global Presence

Global expansion is critical for efficiency AI product companies aiming to scale and compete at a higher level. Success in diverse markets requires more than mere reach — it demands localized operations, cultural alignment, and compliance with regional regulations. Companies that can adapt product strategies and allocate resources flexibly across different markets gain a significant competitive advantage globally.

OVERVIEW OF THE GLOBAL ENTERPRISE AI PRODUCTS MARKET

Value Propositions of Enterprise AI Products

Amid ongoing digital transformation, enterprise AI products deliver multifaceted value to customers.

On one hand, by integrating and analyzing diverse, heterogeneous data sources, AI products enable enterprises to uncover trends, identify opportunities, and drive innovation in business models and product offerings, ultimately enhancing market competitiveness. On the other hand, AI products facilitate operational automation and intelligent decision-making, significantly improving internal management capabilities and reducing operational costs. Additionally, with real-time monitoring, anomaly detection and predictive analytics, AI products provide enterprises with accurate and proactive risk warning systems, enabling customers to manage risks effectively and build resilience against complex challenges.

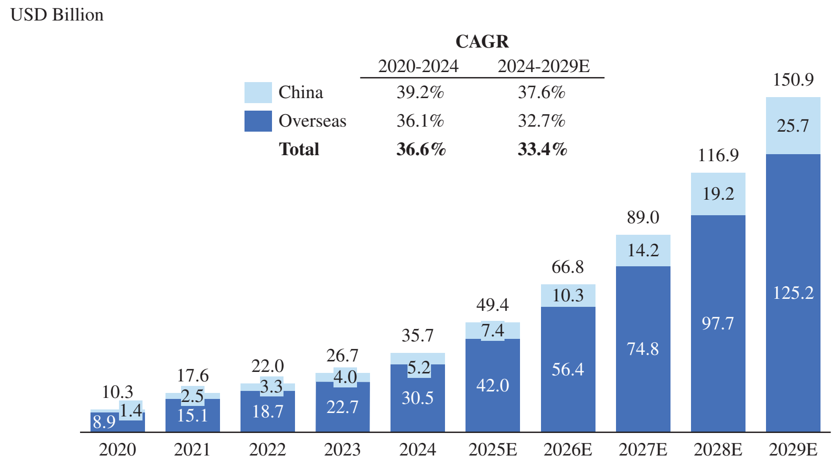
For instance, risk management AI products utilize data mining and predictive algorithms to swiftly identify high-risk entities and deliver early-warning alerts. Marketing AI products analyze customer behavioral patterns to enable precise targeted marketing and higher conversion rates. Supply chain AI products optimize inventory and logistics planning, improving responsiveness and resource utilization by integrating historical data with real-time inputs.

Since the large-scale commercialization of LLMs in late 2022, global enterprise AI products have become increasingly intelligent. LLMs have significantly enhanced AI's perception and understanding capabilities, accelerating the shift from rule-based automation to cognitive and autonomous decision-making systems. This advanced intelligence delivers greater value in improving enterprise efficiency and supporting data-driven operational decisions.

Market Size of the Global Enterprise AI Products

The global enterprise AI products market size reached USD35.7 billion in 2024, and is expected to grow to USD150.9 billion in 2029, representing a CAGR of 33.4%. China is one of the largest enterprise AI products markets globally, with a market size of USD5.2 billion in 2024. It is expected to grow to USD25.7 billion in 2029 at a CAGR of 37.6%, outpacing the global average.

Market size of global enterprise AI products, in terms of revenue, 2020-2029E



Source: CIC

Drivers for the Global Enterprise AI Products

Technological Innovation

Technological advancement remains the primary driver of enterprise AI products. This is reflected in the continuous development of new algorithms and architectures, as well as breakthroughs that transcend traditional technological boundaries. Ongoing enhancements in foundational frameworks, such as neural networks and Transformers, combined with more efficient utilization of computing resources and significant improvements in data processing speed, have markedly elevated product performance, delivering greater accuracy and faster responses in complex environments. These advancements are expanding the application of AI products across vertical industries and intricate business scenarios, unlocking new demand and driving overall market growth.

Rising Demand for Refined Enterprise Operations

As market competition intensifies and external uncertainties increase, companies are prioritizing enhanced management capabilities and optimized operational systems to improve agility and adaptability and pursue digital and intelligent transformation. Enterprise AI products facilitate this shift by enabling smarter resource allocation, process management, and decision-making, empowering businesses to navigate complex, rapidly evolving environments and enhance overall operational efficiency.

Improvements in Product Performance

Enterprise AI product companies are increasingly allocating resources to algorithm optimization, system architecture upgrades, and improved compatibility across diverse scenarios. These efforts enhance product maturity, system reliability, and user experience, thereby increasing enterprise customers' willingness to pay and accelerating the widespread adoption of enterprise AI products across various sectors.

Rising Market Acceptance

Compared to traditional enterprise software, enterprise AI products deliver substantial improvements in analytical accuracy, processing efficiency and decision-making capabilities. A wide range of sectors, such as finance, healthcare and manufacturing, are rapidly embracing such AI products to satisfy their needs for innovation, efficiency, risk control, among others. Moreover, improvements in product design, flexible deployment models and declining training and inference costs are reducing technical and financial barriers, paving the way for widespread industry penetration.

Supportive Policies

Globally, governments and international organizations are enacting policies and regulations to encourage the sustainable development of AI, and implementing responsible governance frameworks. For instance, the European Union's AI Act adopts a risk-based regulatory approach that sets clear compliance standards and has become a global benchmark for AI governance. In parallel, China continues to carry out its "New Generation Artificial Intelligence Development Plan", embedding AI into pilot initiatives in smart manufacturing, urban planning and other enterprise operations. Meanwhile, China also issued the Interim Measures for the Administrative Measures on Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), which regulate the conduct of generative AI service providers and create a healthy environment for further market expansion. International organizations, such as UNESCO are also working toward universal ethical standards and technical guidelines to ensure the development of safe, trustworthy and sustainable AI technologies.

Competitive Barriers for the Global Enterprise AI Products

Technological Strength

Technological expertise forms the primary competitive advantage for enterprise AI product companies. This leadership is demonstrated through advanced AI capabilities, such as model training, fine-tuning, and multimodal data integration, as well as the strategic use of high-quality industry data. Market leaders maintain robust R&D teams and consistent technology iteration processes, continuously exploring efficient applications of emerging technologies. Their strong data acquisition, governance, and mining capabilities support ongoing model enhancements and real-world validation.

Understanding of Customer Needs

Enterprise AI products are deeply integrated into business operations, necessitating a thorough understanding of customer pain points. Leading companies excel at identifying core challenges across diverse customer segments and iteratively refining product features based on user feedback. This enables them to innovate continuously and deliver highly relevant, targeted AI solutions that align with market demands.

Industry Expertise

A comprehensive understanding of industry processes and domain knowledge is critical for developing high-value AI products. Leading companies accumulate extensive industry expertise through long-term customer engagements and demonstrate foresight in anticipating emerging trends. They strategically target high-growth, high-potential application areas to ensure sustainable expansion. New entrants typically require considerable time to build such expertise and identify viable opportunities.

Commercialization Capabilities

Successful commercialization of enterprise AI products requires stable, scalable technical architectures and seamless integration of complex systems tailored to specific industry needs. Equally critical are mature market expansion strategies and strong sales execution. Companies with comprehensive automation toolchains, modular frameworks, effective customer acquisition channels, and extensive sales networks can deliver solutions rapidly and deploy at scale. They also ensure long-term system reliability through robust after-sales maintenance and operations, fostering sustainable growth.

SOURCE OF THE INDUSTRY INFORMATION

CIC was commissioned to conduct research and analysis of, and produce a report on the global AI products industry at a fee of RMB400,000. The commissioned report has been prepared by CIC independently without the influence from the Company or other interested parties. CIC offers industry consulting services, commercial due diligence, and strategic consulting. With a consultant team actively tracking the latest market trends in various industries such as consumer goods and services, agriculture, chemicals, marketing and advertising, culture and entertainment, energy and industry, finance and services, healthcare, TMT, and transportation, CIC possesses the most relevant and insightful market intelligence in these sectors. CIC undertook both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, including the National Bureau of Statistics of China, Chinese Government releases, annual reports published by relevant industry participants, industry associations, CIC's own internal database, etc.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) certain key industry drivers, including elevating product capabilities of technological advancements, rapid growing demand for higher efficiency, more efficiency scenarios facilitated by mobile device penetration, technological innovation, rising demand for refined enterprise operations, improvements in product performance, rising market acceptance, and supportive policies, among others, are likely to continue to drive market growth during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report. We have also referred to certain information in the "Summary", "Risk Factors", "Business" and "Financial Information" sections to provide a more comprehensive presentation of the industry in which we operate. Our Directors confirm that, having exercised reasonable care, there have been no adverse changes in market information, taken as a whole since the date of the CIC Report, that would materially limit, contradict, or adversely affect these data.

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most important significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

MAIN LAWS AND REGULATIONS OF THE INDUSTRY AND INDUSTRIAL POLICIES

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the PRC and the Long-Range Objectives through the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which became effective on March 12, 2021, requires focusing on the new generation, including information technology and other strategic emerging industries, accelerating the innovation and the application of core technologies in key fields, enhancing production factor assurance capabilities and fostering new drivers for industrial development.

According to the Guidance Catalogue for Industrial Structure Adjustment (2024) (《產業結構調整指導目錄(2024年本)》), which became effective on February 1, 2024, big data, cloud computing, information technology service and blockchain information services within the extent permitted by PRC are under the encouraged category.

Opinions of the General Office of the State Council on Comprehensively Strengthening the Work of Spoken and Written Chinese for a New Era (《國務院辦公廳關於全面加強新時代語言文字工作的意見》), issued and effective on September 14, 2021, points out promoting the innovative development of spoken and written Chinese information technology. The basic supporting role of spoken and written Chinese information technology in national information technology development and intelligent construction shall be maximized, the capability of processing spoken and written Chinese information shall be enhanced, and the application of convergence media of spoken and written Chinese shall be promoted. The deep integration of spoken and written Chinese with artificial intelligence, big data, cloud computing, and other information technologies shall be vigorously promoted, the research of key issues such as natural language processing in the artificial intelligence environment and the R&D of original technologies shall be strengthened, and the transformation, promotion, and application of language technology achievements shall be strengthened, so as to support the development of the digital economy.

The Guiding Opinions on Accelerating Scenario Innovation and Promoting High-quality Economic Development with High-level Application of Artificial Intelligence (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》), which was promulgated and implemented on July 29, 2022, points out that the new development philosophy shall be applied in a complete manner. All tasks shall focus on deepening the integration of AI with the real economy with a view to promoting the opening of scenario resources and enhancing scenario innovation capabilities. The scenario ecology shall be improved by strengthening the cultivation of entities, increasing application and demonstration, and innovating systems and mechanisms. Breakthroughs in AI technologies, product development, and industrial cultivation shall be accelerated, and new models and paths for AI development shall be explored, so as to promote high-quality economic development with high-level AI application.

Opinions of the Ministry of Industry and Information Technology on Innovating on the Administration of the Information and Communication Industry and Optimizing Business Environment (《工業和信息化部關於創新信息通信行業管理優化營商環境的意見》), issued and effective on July 22, 2024, points out that the formulation of supporting policies for the innovative development of new technologies and new businesses shall be accelerated, and enterprises are encouraged to further deepen technological innovation and industrial applications in emerging fields such as 5G, artificial intelligence, and quantum information.

The Interim Measures for the Administrative Measures on Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) issued on July 10, 2023 and effective on August 15, 2023 mainly impose compliance requirements on providers of generative AI services. According to the Interim Measures on the Administration of Generative AI Services, individuals or organizations that provide generative AI services of text, image, audio, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor users from over-relying or becoming addicted to generative AI services. In the event that illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority.

The Measures for Identification of Artificial Intelligence-Generated Synthetic Contents (《人工智能生成合成內容標識辦法》) issued on March 7, 2025 with effect from September 1, 2025, requires network information service providers to label AI-generated contents with explicit labels and implicit labels. Explicit labels should be added to AI-generated text, images, audio, video and virtual content that may cause confusion or misidentification of the public and implicit labels should be added to the file metadata of Al-generated contents. Service providers that offer online content dissemination services are required to verify AI-generated content and ensure that appropriate labels are affixed. If metadata underlying certain content lacks AI labels, but the service provider detects traces and signs of AI generation from such content, the service provider must flag such data accordingly.

According to the Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, last amended on December 6, 2024 and effective on January 20, 2025, internet information services can be classified into two categories, services of a commercial nature and services of a non-commercial nature. Commercial internet-based information services refer to compensatory services which provide information to or create web pages for online users through the internet. Non-commercial internet-based information services refer to non- compensatory services which supply, through the internet, to online users' information which is open to and shared by the general public.

Provisions on the Administration of Algorithm Recommendation for Internet Information Services (《互聯網信息服務算法推薦管理規定》), promulgated on December 31, 2021 and effective on March 1, 2022, shall apply to the provision of Internet information services by applying recommendation algorithm technology within the territory of the PRC, unless otherwise provided for by laws or administrative regulations. Applying recommendation algorithm technology means applying generation and synthesis, personalized push, selection sort, search filtering, scheduling decision, and other algorithm technologies to provide information to users.

Plan for Development of the Digital Economy During the "14th Five-Year" Period (《"十四五"數字經濟發展規劃》), issued and effective on December 12, 2021, requires fully maximizing the role of data elements by strengthening the supply of high-quality data elements, accelerating the market-based circulation of data elements and innovating the mechanism for the development and utilization of data elements. Market participants shall be supported in carrying out data collection in compliance with laws and regulations. Sharing, exchange, collaboration and opening for business applications shall be explored. The national public data resource system shall be established and improved, whereby to promote the safe and orderly opening of basic public data, cultivate data service providers and develop data transaction platforms.

According to the 14th Five-Year Plan Development Plan for the Big Data Industry (《"十四五"大數據產業發展規劃》), issued and effective on November 15, 2021, promoting high-quality development shall be regarded as the theme, the supply-side structural reform shall be regarded as the main line, the release of the value of data factors shall be regarded as the guidance, by focusing on consolidating the foundation of industrial development, joint efforts shall be made for promoting the high quality of data resources, the high level of technological innovation, and the high efficiency of infrastructure, by focusing on building a stable and efficient industrial chain, joint efforts shall be made for improving industrial supply capacity and industry empowerment effect, development and security shall be planned as a whole, an independent, controllable, open and cooperative industrial ecology shall be cultivated, and new advantages for digital economic development shall be created.

The 14th Five-Year Plan for National Information Technology (《"十四五"國家信息化規劃》), issued and effective on December 27, 2021, identifies priority actions, including improving digital literacy and skills across the population, improving the digital capabilities of enterprises, making breakthroughs in cutting-edge digital technologies, opening up digital trade and cooperation. Opinions of the CPC Central Committee and the State Council on Accelerating the Construction of a Unified National Market (《關於加快建設全國統一大市場的意見》) was issued and effective on March 25, 2022, aiming at moving faster to foster a data factor market, establish and improve basic systems and standards for data security, rights protection, cross-border transmission management, transactions and circulation, opening and sharing, and security certification, among others, and investigate data resources in depth, to enhance the development and utilization of data resources.

Opinions of the CPC Central Committee and the State Council on Establishing a Data Base System to Maximize a Better Role of Data Elements (《關於構建數據基礎制度更好發揮數據要素作用的意見》) was promulgated and came into effect on December 2, 2022, for the purposes of accelerating the establishment of a data base system, fully maximizing China's advantages of massive data scale and rich application scenarios, activating the potentiality of data elements, strengthening, improving and expanding the digital economy, enhancing new drivers of economic development, and forming new competitive advantages of the state.

Plan for the Overall Layout of Building a Digital China (《數字中國建設整體佈局規劃》), issued on February 27, 2023, emphasizes comprehensively raising the comprehensiveness, systematicity, and coordination of Digital China construction; promoting the deep integration of the digital economy and the real economy.

Telecommunications Regulation of the PRC (《中華人民共和國電信條例》), promulgated by the State Council on September 25, 2000, and last amended on 6 February 2016, provides a regulatory framework for telecommunications services providers in the PRC and divided telecommunications services business into two categories: basic telecommunications business and value-added telecommunications business.

The Classified Catalogue of Telecommunications Business (2015 Version) (《電信業務分類目錄(2015年版)》), which was promulgated by the Ministry of Industry and Information Technology of the PRC (the "MIIT"), last amended and effective on June 6, 2019, divides telecommunications services into two major categories: basic telecommunications services and value-added telecommunications services. And each major categories is divided into subcategories.

Measures for the Administration of Telecommunications Business Licensing (《電信業務經營許可管理辦法》), promulgated by the MIIT on March 1, 2009 and last amended on July 3, 2017, set forth more specific provisions regarding the types of licences required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licences and the administration and supervision of such licences. Under these measures, a commercial provider of telecommunications business shall obtain a business permit issued by the telecommunications administrative authorities as per the law. Otherwise, such operator might be subject to sanctions including but not limited to corrective orders and fines. The business permit of a foreign-invested telecommunications enterprise shall be subject to approval by the MIIT in accordance with the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations").

The FITE Regulations promulgated by the State Council on December 11, 2001, which was recently amended on March 29, 2022 and took effect on May 1, 2022, requires foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise. Moreover, the joint ventures must obtain approvals from the MIIT and the MOFCOM, or their authorized local counterparts, before launching the value-added telecommunications business in China.

Measures for the Administration of Credit Reporting Services (《徵信業務管理辦法》) promulgated on September 27, 2021 and came into effect on January 1, 2022, as a supporting policy to the Regulation on the Administration of Credit Reporting Industry (《徵信業管理條例》) issued on January 21, 2013, it, together with the Measures for the Administration of Credit Reporting Agencies (《徵信機構管理辦法》), constitutes a vital component of the legal system for the credit reporting industry. Measures for the Administration of Credit Reporting Services further specifies rules for the whole process of credit reporting services. In terms of protecting the legitimate rights and interests of information subjects, it stipulates the methods and principles of credit information collection, clarifies that objectivity and accuracy should be observed during credit information processing, and that the rights of information subjects to be informed, consent, dispute and complain should be protected. With regard to ensuring the legitimate use of credit information, it emphasizes the fairness and legitimacy in using credit information.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY

Regulations on Internet information security

The National Security Law of the PRC (《中華人民共和國國家安全法》) promulgated and becoming effective on July 1, 2015, pursuant to which the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investments, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "Cybersecurity Law") promulgated on November 7, 2016 and becoming effective on June 1, 2017, is applied to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall comply with laws and regulations and fulfil the obligations to safeguard the security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures in accordance with the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data, and network operators shall not collect the personal information irrelevant to the services provided, or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

The Data Security Law of PRC (《中華人民共和國數據安全法》) (the "Data Security Law") promulgated on June 10, 2021 and becoming effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding the establishment of basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency response system. In addition, the Data Security Law clarifies the data security protection obligations of organizations and individuals carrying out data activities and implements data security protection responsibilities.

The Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "Cybersecurity Review Measures") jointly revised and promulgated by the Cyberspace Administration of China (the "CAC") and other twelve PRC regulatory authorities on December 28, 2021, became effective on February 15, 2022. The Cybersecurity Review Measures provides that, among others, (i) critical information infrastructure operators that purchase network products and services or network platform operators that engage in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the enterprise's network products or services, or data processing activities affect or may affect national security.

The Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "Cyber Data Security Regulations") promulgated by the State Council on September 24, 2024, which became effective on January 1, 2025, stipulates that where network data handlers carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. The Cyber Data Security Regulations optimize regulations for cross-border data security management, specifying conditions under which network data processors may provide personal information abroad in accordance with international treaties or agreements. The regulations clarify that data not identified or publicly disclosed as important data by relevant regions or departments need not undergo cross-border security assessments for important data. Further, the Cyber Data Security Regulations set forth network data security protection requirements for network platform service providers, third-party product and service providers, and other relevant entities.

The Data Outbound Transfer Security Assessment Measures (《數據出境安全評估辦法》) (the "Security Assessment Measures"), which was promulgated on July 7, 2022 and became effective on September 1, 2022. The Security Assessment Measures outline the requirements and procedures for security assessments on cross-border transfer of important data or personal information collected within the PRC. The Provisions on Promoting and Regulating Cross-border Data Transfer (《促進和規範數據跨境流動規定》) (the "Provisions on Cross-border Data Transfer") was proposed by the CAC and became effective on March 22, 2024, aiming to further regulate and facilitate the legal and orderly transfer of data. The Provisions on Cross-border Data Transfer clarify the circumstances where compliance requirements (such as data outbound transfer security assessment, the execution of personal information outbound transfer standard contract or personal information protection certification) are waived, and the circumstances where such compliance requirements shall be performed, in response to the confusion of various enterprises in practice. According to the Provisions on Cross-border Data Transfer, data processors are subject to security assessments conducted by the CAC prior to any cross-border transfers of important data and personal information, if falling under any of the following circumstances: (i) where the critical information infrastructure operator intends to provide important data or personal information overseas; (ii) where the data processor other than critical information infrastructure operators intends to provide important data overseas; (iii) where the data processor other than critical information infrastructure operators provides personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals to overseas recipients accumulatively since January 1 of any given calendar year. The Guide to Applications for Security Assessment of Outbound Data Transfers (Second Edition) (《數據出境安全評估申報指南(第二版)》), promulgated and came into effect on March 22, 2024, further clarifies the scope of application, application method and process for security assessments for data outbound transfers.

The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) was promulgated and effective on June 22, 2007, under which the security protection of an information system may be classified into five grades. Companies operating or using information systems shall protect the information systems. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures with the competent authority. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures with the competent authority.

Regulations on Privacy protection

Pursuant to the PRC Civil Code (《中華人民共和國民法典》), personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of the others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of the others, or illegally purchase or sell, provide, or make public personal information of the others.

The Personal Information Protection Law of PRC (《中華人民共和國個人信息保護法》) (the "Personal Information Protection Law") promulgated on August 20, 2021, became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors shall truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and easy-to-understand language: (i) the name and contact information of the personal information processor; (ii) purpose of processing personal information, processing method, type of personal information processed, and retention period; (iii) methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and (iv) other matters that shall be notified as required by laws and administrative regulations. Based on the processing purposes and processing methods of personal information, types of personal information, impacts on personal rights and interests, and possible security risk, etc., personal information processors shall also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Where personal information is processed in violation of the provisions of the Personal Information Protection Law, or the processing of personal information fails to fulfil the personal information protection obligations thereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined for not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the department performing personal information protection duties at or above the provincial level shall order the personal information processor to make corrections, confiscate the illegal gains, impose a fine of less than RMB50 million or less than 5% of the previous year's turnover, order the suspension of relevant business or suspend business for rectification and notify the relevant competent authority to revoke the relevant permits or business license; impose a fine of not less than RMB100,000 but not more than RMB1 million on the directly responsible person in charge and other directly responsible personnel, and may decide to prohibit them from serving as a director, supervisor, senior management and person in charge of personal information protection of related companies within a certain period of time.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on March 15, 2019 and implemented on January 1, 2020, establishes the management system for pre-access national treatment and negative list for foreign investment in the PRC. "Pre-access national treatment" means that foreign investors and their investments shall be treated no less favorably than domestic investors and their investments at the stage of investment access; "negative list" refers to the special administrative measures for access of foreign investment in specific fields as prescribed by the PRC. The PRC gives national treatment to foreign investment outside the negative list. In addition, the Regulation for Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the "Implementation Regulations"), which came into effect on January 1, 2020, further stipulates that the PRC shall, according to the needs of national economic and social development, formulate a catalog of encouraged foreign-invested industries, and specify the specific industries, fields and regions in which foreign investors are encouraged and guided to invest.

The Special Administrative Measures (Negative List) for Foreign Investment Access (2024 version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "2024 Negative List") is issued by the NDRC and the MOFCOM jointly on September 6, 2024, to replace the previous encouraging catalog and negative list thereunder. Pursuant to the Foreign Investment Law, the Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the negative list, while foreign investments must satisfy certain conditions stipulated in the negative list for investment in restricted industries. Industries not listed in the negative list are generally deemed "permitted" for foreign investments.

According to the 2024 Negative List, the proportion of foreign investments in an entity engaging in value-added telecommunications business (excluding the e-commerce, domestic multi-party communications, storage-forwarding, and call centres) shall not exceed 50%.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (the "Measures") promulgated by NDRC and MOFCOM on December 19, 2020 and effective from January 18, 2021, foreign investments that have an actual or potential impact on national security are subject to security review in accordance with the provisions of the Measures. Foreign investors or relevant domestic parties who intend to invest in the following areas should proactively apply to the mechanism's office for a security review prior to implementation of the investment: (1) investment in defense, defense support and related sectors that have a bearing on national defense security, as well as investment in areas surrounding military and defense facilities; (2) investment in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies, and other important sectors related to national security, while obtaining actual control over the invested enterprise.

REGULATIONS ON OVERSEAS INVESTMENT

The Measures for the Administration of Overseas Investment (《境外投資管理辦法》), which became effective on May 1, 2009, and was last revised on September 6, 2014 and came into force on October 6, 2014, specifies that the Ministry of Commerce and the competent commercial authorities of all provinces, autonomous regions, specifically designed cities in the state plan, and Xinjiang Production and Construction Corps (hereinafter referred to as provincial commercial authorities) are responsible for the management and supervision of overseas investment, and the Ministry of Commerce and provincial commercial authorities shall carry out filing and approval management of overseas investment, according to different conditions of overseas investment of enterprises. Outbound investment by enterprises that involves sensitive countries and regions, or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

The Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》), which became effective on March 1, 2018, specifies that investors with overseas investment shall go through the procedures of overseas investment project approval and filing, report relevant information, and co-operate with the supervision and inspection. Overseas investment projects are subject to filing and approval administration according to whether they are in sensitive industries, and the catalog of sensitive industries is issued by the National Development and Reform Commission.

LAWS AND REGULATIONS ON OVERSEAS OFFERING AND LISTING

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

The Trial Measures provides that no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (v) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Additionally, the Trial Measures stipulates that upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security etc., and duly fulfil their obligations to protect national courtesy translation security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》). Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of mainland China by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of mainland China. Cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS ON FOREIGN EXCHANGE

The Regulations of the PRC on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), which became effective on April 1, 1996 and was last revised and came into force on August 5, 2008, applies to the foreign exchange receipts and payments or foreign exchange business activities of domestic organizations and individuals, foreign organizations and individuals in China. It specifies that China shall not restrict international current payments and transfers. The foreign exchange receipts of domestic organizations and individuals can be repatriated to China or deposited overseas; the conditions and time limit for repatriation or overseas deposit shall be specified by the foreign exchange administration authorities of the State Council according to the international balance of payment and the needs of foreign exchange administration. Domestic organizations and individuals who make overseas direct investments or engage in the overseas issuance and trading of negotiable securities and derivatives shall register in accordance with the requirements of the foreign exchange administration authority of the State Council. If the state requires prior approval by or filing with relevant competent authorities, the approval or filing procedures shall be gone through prior to the foreign exchange registration.

The Circular of the State Administration of Foreign Exchange on Reforming and Regulating the Policies for Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which became effective on June 9, 2016, specifies that in the case of foreign exchange receipts in capital accounts subject to willingness exchange settlement as specified by relevant policies (including foreign exchange capital, foreign debt funds and proceeds from overseas listing which are repatriated, etc.), exchange settlement may be made in banks according to the actual business needs of domestic organizations. The foreign exchange receipts in the domestic capital account and RMB proceeds from exchange settlement may be used to cover the current account expenditures within the business scope, as well as the expenditures under the capital account permitted by laws and regulations. Foreign exchange receipts in the domestic capital account of a domestic organization and RMB proceeds from exchange settlement shall not be: (1) directly or indirectly used to cover expenditures beyond the business scope of enterprises or prohibited by national laws and regulations; (2) directly or indirectly used for securities investment or other investments and wealth management other than capital protected products of banks, unless otherwise specified; (3) used to provide loans to non-affiliated enterprises, unless otherwise approved in the business scope; or (4) used for the construction or purchase of real estate not for own use (except where the entity is a real estate enterprise).

The Circular on Further Improving RMB Cross-Border Business Policies and Promoting Trade and Investment Facilitation (《關於進一步完善人民幣跨境業務政策促進貿易投資便利化的通知》), which became effective on January 5, 2018, specifies that domestic enterprises may repatriate the proceeds to China for use according to actual needs after issuing RMB bonds overseas and going through relevant procedures according to the macro-prudent administration of full-coverage cross-border financing. RMB proceeds of domestic enterprises from overseas issuance of shares may be repatriated to China for use according to actual needs.

The Circular on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》), which became effective on December 26, 2014, specifies that the State Administration of Foreign Exchange, its branches and foreign exchange administration departments shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and expenditures, capital exchange and other behaviours involved in the overseas listing of domestic companies. Domestic companies shall register the overseas listing within 15 working days of the completion of overseas listing and issuance; the proceeds from domestic and overseas listing of a company may be repatriated to China or deposited overseas, and the use of the proceeds shall comply with relevant contents set out in the document or corporate bond document, the circular to shareholders, resolutions of the board of directors or the general meeting and other publicly disclosed documents.

LAWS AND REGULATIONS ON PROPERTY LEASING

According to the PRC Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Moreover, pursuant to the PRC Civil Code, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994, was last revised on August 26, 2019 and came into effect on January 1, 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

Pursuant to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, which became effective on February 1, 2011, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the competent construction or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

LAWS AND REGULATIONS ON LABOR, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

The Labour Law of the PRC (《中華人民共和國勞動法》), which became effective on January 1, 1995 and was last revised and came into force on December 29, 2018, is one of main laws regulating the labour relations between enterprises and employees in China. It specifies that labourers have equal right to employment and choice of occupation, the right to remuneration for labour, to rest and vacations, to the protection of occupational safety and health, to training in vocational skills, to social insurance and welfare, to submission of labour disputes for settlement and other rights relating to labour stipulated by laws. The employing units shall establish and perfect rules and regulations in accordance with the laws so as to ensure that workers and labourers enjoy the right to work and fulfil labour obligations. A labour contract shall be concluded where a labour relationship is to be established. The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour protection, and provide regular health examination for labourers engaged in work with occupational hazards. China provides special protection for female staff and workers and juvenile workers. China has established a social insurance system, and set up social insurance funds so that labourers may receive assistance and compensation under such circumstances as old age, illness, work-related injury, unemployment and childbirth.

The Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which became effective on January 1, 2008, and was last revised on December 28, 2012 and came into force on July 1, 2013, applies to the establishment of labour relations, entry into, performance, amendment, rescission or termination of labour contracts between enterprises, individual economic organisations, private unincorporated organisations and other organisations on the one hand and workers on the other, in China. It specifies that labour contracts shall be concluded in adherence to the principles of legality, fairness, equality, voluntariness, consensus and good faith. Employing units shall establish and improve labour rules and regulations to ensure that workers enjoy the labour rights and fulfil the labour obligations. The establishment of a labour relationship requires entering into a written labour contract. The employing unit shall strictly implement the norm set for labour quota and shall not compel the workers to work overtime or do so in a disguised form. If an employing unit assigns overtime work, it shall make overtime payments to the employees in accordance with relevant provisions of China.

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which became effective on July 1, 2011 and was last revised and came into force on December 29, 2018, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which became effective on January 1, 2004, and was last revised on December 20, 2010 and came into force on January 1, 2011, the Trial Measures for Maternity Insurance of Enterprise Employees (《企業職工生育保險試行辦法》), which became effective on January 1, 1995, the Decision of the State Council on Establishing a Unified Basic Endowment Insurance System for Enterprise Employees (《國務院關於建立統一的企業職工基本養老保險制度的決定》), which became effective on July 16, 1997, the Decision of the State Council on Establishing a Basic Medical Insurance System for Urban Employees (《國務院關於建立城鎮職工基本醫療保險制度的決定》), which became effective on December 14, 1998, and the Regulations on Unemployment Insurance (《失業保險條例》), which became effective on January 22, 1999, specify that China should establish basic endowment insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and other social insurance systems, so that the citizens can obtain assistance and compensation from the country and society in their old age or in case of illness, work-related injury, unemployment, childbirth, etc. Employers and individuals in China shall make social insurance contributions in accordance with laws. Enterprises in China are obliged to purchase endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance for their employees. If an employer fails to make social insurance contributions in full and on time, the organisation collecting social insurance contributions shall order it to make contributions or make up for the balance within a specified period, and shall, from the date of payment, impose a late payment penalty at the rate of 0.05% on a daily basis; if the employer fails to make payment within the specified period, the relevant administrative department shall impose a penalty of not less than one time but not more than three times the arrears.

The Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which became effective on April 3, 1999 and was last revised and came into force on March 24, 2019, specifies that enterprises in China shall apply to the housing provident fund management centre for registration of contributions to the housing provident fund, and open housing provident fund accounts for their employees. If an employer fails to make contributions or makes insufficient contributions to the housing provident fund within the specified period, the housing provident fund management centre shall order it to make contributions within a specified period; if the employer fails to make payment within the specified period, an enforcement application may be submitted to the people's court.

LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the PRC (《《中華人民共和國專利法》》), which was promulgated by the SCNPC on March 12, 1984 and implemented on April 1, 1985, and last revised on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), which was promulgated by the State Council on June 15, 2001, implemented on July 1, 2001 and last amended on December 11, 2023, with the latest amendment being effective on January 20, 2024, patents in mainland China are divided into invention patent, utility patent and design patent. Invention patent shall be valid for 20 years from the date of application, while utility patent shall be valid for 10 years and design patent shall be valid for 15 years from the date of application respectively. The patent right entitled to its owner shall be protected by the laws. Any person shall be licensed or authorized by the patent owner before using such patent. Otherwise, the use constitutes an infringement of the patent right.

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "Trademark Law"), which was promulgated by the Standing Committee on August 23, 1982 and became effective on March 1, 1983 and last revised on April 23, 2019 and implemented on November 1, 2019 and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002, and amended on April 29, 2014, a trademark registered by the Trademark Office is a registered trademark, including the commodity trademark, service trademark, collective trademark and certification trademark. The valid period of a registered trademark shall be 10 years, commencing from the date of approval of the registration. The trademark registrant shall apply for renewal within 12 months before the expiry date for further use of the registered trademark. The valid period for each renewal of registration is 10 years, counted from the next day of the expiration day of the last term.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), or the Copyright Law, promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, and last revised on November 11, 2020 and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

Pursuant to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002 and the Regulation on Computers Software Protection (《計算機軟件保護條例》) amended by the State Council on January 30, 2013 and came into effect on March 1, 2013, the National Copyright Administration is mainly responsible for the registration and management of software copyright in mainland China and recognizes the China Copyright Protection Centre as the software registration organization. The China Copyright Protection Centre shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Domain Names

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and came into effect on November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

LAWS AND REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the "Product Quality Law"), which was promulgated by the SCNPC on February 22, 1993 and implemented on September 1, 1993, and last revised on December 29, 2018, the law applies to all production and marketing activities within the territory of the PRC. Producers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) products shall be free from any irrational dangers threatening the safety of people and property. If there are State standards or trade standards for ensuring the health of the human body and safety of lives and property, the products shall conform to such standards; (ii) products shall have the property they are due to have, except cases in which there are explanations about the defects of the property of the products; and (iii) products shall tally with the standards prescribed or specified on the packages and with the quality specified in the instructions for use or shown in the providing samples. In case of violation of the Product

Quality Law, the market regulatory authorities have the right to order producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of a producer or seller will be revoked, and if the violation is so serious as to have constituted a crime, the producer or seller will be prosecuted for criminal liability.

Pursuant to the PRC Civil Code, which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, where a defect of a product endangers the personal or property safety of another person, the infringed person has the right to request the manufacturer or seller of the product to bear tort liability in forms of cessation of the infringement, removal of the nuisance, elimination of the danger, or the like.

U.S. LAW OVERVIEW

U.S. Artificial Intelligence Regulatory Landscape

We may be subject to a growing number of AI-related laws and regulatory initiatives, particularly at the state level. The Colorado AI Act, which goes into effect on February 1, 2026, regulates the use of high-risk AI systems, requiring companies to conduct impact assessments, provide notice when automated decisions significantly affect individuals, and implement human oversight over AI activities. Violations of the Colorado AI Act are treated as a violation of the Colorado UDAP law, and the Colorado Attorney General can bring an enforcement action against developers and deployers (i.e., any individual or entity doing business in Colorado that uses a high-risk AI system) that violate the Act.

Several states are moving toward regulating high-risk AI systems, following Colorado's lead with its comprehensive AI Act. California, Connecticut, New York, and Vermont have introduced or are advancing similar legislation focused on ensuring transparency, fairness, and accountability in automated decision-making, particularly in areas like employment, lending, and healthcare. These laws generally require risk assessments, consumer notices, and safeguards against algorithmic bias, signaling a growing state-level push to regulate AI use in ways that significantly impact individuals.

On May 22, 2025, the U.S. House of Representatives passed the "One Big Beautiful Bill Act" (the Bill) a comprehensive budget reconciliation bill that proposes, among other things, a 10-year moratorium (i.e., suspension) on state and local government enactment and enforcement of laws regulating AI. The Bill is currently under consideration in the Senate. The Bill targets state laws specifically regulating AI systems. If enacted, it would preempt state and local governments from creating and enforcing new AI-specific laws for 10 years. However, it would not nullify state laws that address broader business practices and compliance obligations, such as under state privacy laws (e.g., CCPA and NJDPA) and state CHD laws, even if those laws incidentally impact a business's use of AI technologies. In other words, while the Bill seeks to block state-specific AI regulations, it does not eliminate state authority over general data protection and compliance frameworks that may still apply to businesses using AI.

Marketing Communications

Marketing communications are regulated at the federal level pursuant to the Telephone Consumer Protection Act (TCPA) and the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM), including by: obtaining consumer consent prior to initiating communications, providing clear opt-out mechanisms for future communications, identifying the communication as an advertisement, and implementing measures to protect sensitive consumer information.

The TCPA generally prohibits calls, faxes, and texts to residential and wireless lines using an automatic telephone dialing systems or artificial or prerecorded voice recordings without the recipient's prior express consent and allows consumers to opt-out of receiving such communications, subject to exceptions (e.g., calls or texts for emergency purposes, such as to issue natural disaster or public safety warnings). The Federal Communications Commission (FCC) is the primary enforcement authority of the TCPA. The FCC may impose civil forfeiture penalties and criminal fines via administrative action against parties that violate the TCPA. TCPA enforcement may also be initiated by state attorneys general or other state officials or agencies, who may seek injunctive relief and actual monetary loss or damages of $500 per violation. Courts may award treble damages if it finds willful or knowing violations. The TCPA also provides a private right of action, permitting private litigants to seek injunctive relief, monetary damages (including treble damages), or both. Most states have their own telemarketing laws, which the TCPA does not preempt if the state law has more restrictive requirements. Therefore, Pharmaceutical companies that conduct marketing communications via telephone, fax, or text communications must factor the requirements of the TCPA and state laws into their marketing communications compliance strategy.

Unfair or Deceptive Acts or Practices

Section 5 of the FTC Act prohibits companies like us from engaging in unfair or deceptive acts or practices (UDAP) in or affecting commerce, including invading consumers' privacy, misrepresenting data practices (e.g., data privacy practices), or failing to safeguard personal information. The FTC enforces the FTC Act, and may seek injunctive relief and civil penalties. The FTC may also seek equitable remedies like restitution and disgorgement (i.e., the deletion of data and other outcomes, like AI models, derived from unfair or deceptive conduct) through administrative proceedings. The FTC Act does not grant a private right of action, meaning that private individuals or entities may not file a lawsuit against a party that engaged in UDAP pursuant to the Section 5.

Most states, including California, also have UDAP laws, and state enforcement authorities have carried out privacy enforcement activities under these laws, even in the absence of a state consumer privacy law. Remedies available under state UDAP laws vary, but generally include restitution, attorneys' fees, and civil penalties. State courts have broad discretion to interpret their state's UDAP law, which could impact the calculation of the civil penalty amount. Unlike the FTC Act, many state UDAP laws grant a private right of action (e.g., California), giving consumers and others impacted by violations constituting UDAP an avenue for directly seeking redress.

State Consumer Privacy Laws

As of January 2025, twenty (20) states have passed consumer privacy laws: California, Colorado, Connecticut, Delaware, Florida, Indiana, Iowa, Kentucky, Maryland, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, Oregon, Rhode Island, Tennessee, Texas, Utah, and Virginia. This number is expected to grow as several more states consider enacting consumer privacy bills. The scope, applicability, requirements, and risks under each of the state consumer privacy laws vary per jurisdiction, and the interpretation of these laws is still evolving.

These laws apply to the personal information of consumers, but the definitions of personal information and consumer, or similar terms, vary per state. For example, under the California Consumer Privacy Act, as amended by the California Privacy Rights Act (CCPA), the term "consumer" includes California residents acting in the individual or household context; who are employees, job applicants or independent contractors; or acting in the business-to-business (B-to-B) context. In contrast, under the New Jersey Data Privacy Act (NJDPA), a consumer is a New Jersey resident acting only in an individual or household context and does not include an individual acting in a commercial or employment context. As such, unlike the CCPA, NJDPA does not apply to human resources or B-to-B data. Additionally, depending on the state, the consumer privacy law could apply to only the collection and processing of online data (e.g., the Maryland Online Data Privacy Act) or to both online and offline data (e.g., CCPA). Online data means data flowing through websites and also mobile applications, as applicable.

Taking the above together, whether a state consumer privacy law applies to the data processed and maintained by us requires a state-by-state analysis. We likely will need to comply with CCPA requirements as to B-to-B data from California customers, which is not subject to GLBA or state corollaries, like CalFIPA. However, compliance with the NJDPA or other state consumer privacy laws would only extend to individual consumers' personal information (i.e., not B-to-B data) because, unlike the CCPA, these laws generally apply only to the personal information of individual consumers and not to B-to-B or human resources data.

State consumer privacy laws impose a number of compliance requirements on regulated businesses that requires, among other things, posting a privacy policy that outlines the Company's data practices, mechanisms for data subjects to exercise their privacy rights as to their personal information, and delivery of a pre-collection notice informing data subjects that their personal information may be collected and processed.

In addition to evaluating whether it is processing the personal information of consumers and meeting the applicability thresholds of each state consumer privacy law, we must also consider whether we are processing personal information in our capacity as a data controller or processor. Whether we are acting as a controller or processor will determine the extent of our obligations under each of the state consumer privacy laws. In general, controllers (i.e., the party that determines the purpose and means for processing personal information) have more comprehensive obligations than processors (i.e., those who process data on behalf of controllers). For example, controllers are primarily responsible for providing notices to individuals about how their personal information will be processed via privacy notices, while processors are obligated to assist the controller in meeting their privacy notice obligations, including informing the controller of legal requirements that affect processing.

Taking the above together, legal consequences under the state consumer privacy laws vary and require case-by-case and product-by-product assessment. The state consumer privacy laws do not offer consumers a private right of action, except that the CCPA offers a private right of action for certain data breaches. These laws require clear disclosures, data protection measures, and mechanisms for receiving and honoring data subject rights requests (e.g., requests to access, delete, or opt-out of certain personal information processing activities). Noncompliance can lead to administrative and civil penalties of up to $7,500 per violation, and enforcement action.

Laws and Regulations on Intellectual Property

The U.S. provides trademark protection at both federal and state levels. Federal law is the principal source of trademark protection in the U.S., although state laws also provide common law protection. The Trademark Act of 1946, which is commonly known as the Lanham Act, is the main federal trademark statute. There are two ways to acquire ownership of a trademark: (i) being the first to actually use the mark in commerce, and (ii) being the first to register the mark with the U.S. Patent and Trademark Office ("USPTO"). The USPTO is the federal agency for granting U.S. patents and registering trademarks. It examines trademark applications and grants registrations when applicants are entitled to them. Most applications are based on the current use of the mark in commerce or the intent to use the mark in commerce in the future. For an application filed under the use-in-commerce basis, the applicant must be using the mark in the sale or transport of goods or the rendering of services in interstate commerce. If an applicant has not used the mark yet but plans to do so in the future, it may file the application based on a bona fide intent to use the mark in commerce.

Federal law has exclusive domain over patents and patent disputes. A patent is a government grant providing the patent owner with the right to exclude others from using a claimed invention or practicing a claimed method. A patent is obtained by filing an application with the USPTO claiming a useful, novel invention. The application must comply with various requirements set forth in the Patent Act (codified at 35 U.S.C. § 1 et seq) and regulations established by the USPTO.

Copyright is protected in the U.S. primarily by federal law under the U.S. Copyright Act. Copyright resides in a broad range of works of authorship, including software in both object code and source code. The threshold for copyrightability is relatively low. A high level of originality is not required and, as a practical matter, it is typically sufficient to show that the work was not copied from another source. U.S. copyright law has very few formal requirements Registration and the use of a copyright notice, for example, are not required although they can provide the copyright owner with certain advantages, in particular in the event of infringement of the work. Copyright subsists for the life of the author plus seventy years. Under the "made for hire" doctrine the employer is deemed both the author and the copyright owner of works created by the employee in the course of employment. U.S. copyright law includes a robust "fair use" doctrine that may provide a good defense in certain cases of unauthorized reproduction. Over the years, U.S. copyright law has expanded to afford protection to new technological developments. Currently, the advent of AI has given rise to a number of interesting questions that remain largely unresolved, such as who is the copyright owner in connection with works of authorship created by AI.

A trade secret is information that (i) has independent economic value from being generally unknown by the public and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. This can include a wide range of valuable business-related information, such as formulas, processes, techniques, designs, customer lists, marketing strategies, or other non-public information. Trade secrets are governed by both federal and state law. The Defend Trade Secrets Act, codified at 18 U.S.C. § 1836, et seq. ("DTSA"), is the federal trade secret law. The DTSA applies only to trade secrets used in interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure in specific and generally rare instances. The DTSA is similar to the Uniform Trade Secret Act ("UTSA"), a model set of laws enacted by almost all fifty states within the U.S. A trade secret owner may often have a choice in enforcing its trade secret rights under the DTSA or a relevant state's version of the UTSA.

Tax Laws

The U.S. federal government levies a variety of taxes on U.S. businesses, non-U.S. businesses trading in the United States, and business owners and their employees. Depending on the business structure, such taxes include corporate franchise tax, income tax, capital gains tax on long-term sales, income tax on dividends and interest, income tax on partnership profits and employee payroll taxes.

In addition to the federal government, the 50 state, local counties and city governments tax and regulate business activities within their respective jurisdictions. For example, business activities within a state may be subject to the state's business and personal income tax, payroll tax, sales tax, franchise and other taxes. In addition, some local governments, such as counties and cities, may impose their own similar taxes. If a business has sales or employees in more than on location, state and local taxes generally will be pro-rated depending on the percentage of income, number of employees and other factors associated with each location.

OVERVIEW

Our history can be traced back to August 2006 when our Company was established. Under the leadership of Dr. Zhen, we have developed into a world-leading AI products company. We offer a comprehensive product portfolio for global customers across diverse industries, including products for individual users such as *CamScanner*, *CamCard* and *Qixinbao* and for enterprise customers such as *TextIn* and *Qixin Insight*. According to CIC, we ranked first in China and fifth globally in terms of revenue among companies with over 100 million monthly active users (MAU) in global individual efficient AI products in 2024.

In June 2020, our Company was converted to a joint stock company. In September 2024, our Company became listed on the STAR Market of Shanghai Stock Exchange (stock code: 688615).

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2006	Our Company was established in the PRC.
2009	We introduced *CamCard*, a globally leading AI product for business networking.
2010	We introduced *CamScanner*, the world's largest AI product for image-based text processing.
2011	We launched Dubhe (天樞), our global distributed computing and storage platform, enabling the large-scale global application of our AI products.
2012	We were named a Google Play Top Developer.
2013	We were recognized as the Technologically Advanced Enterprises (專精特新企業) by The Economic and Information Commission of Shanghai (SHEITC) for the first time, and maintained the recognition for years.
2015	We launched *Qixinbao*, a commercial data intelligence product, and tapped into the commercial data intelligence sector.

Year	Milestone
2016	Our offerings expanded into enterprise products, deepening our engagement with leading customers.
2017	We launched Merak (天璇), our text intelligence technology platform.
	We launched an enterprise-level AI product suite for commercial data intelligence, currently known as *Qixin Insight.*
2019	We won first place in the table recognition competition and the receipt recognition competition at ICDAR and have since then won 16 championships in global AI competitions such as ICDAR, ICPR and ICFHR.
2020	The number of MAU of *CamScanner* exceeded 100 million.
	We launched *TextIn*, an enterprise level AI product suite for intelligent text processing.
2021	We launched Phecda (天璣), our AGI technology platform.
	We were named one of the global top five business and productivity app publishers in the 2021 Top Publisher Awards by App Annie, alongside Google, Microsoft, Zoom Video Communications and Adobe.
	We were awarded the Technology Progress Award by the China Society of Image and Graphics.
2022	Shanghai Linguan was recognized as a Nationally Encouraged Key Software Enterprise.
2023	We won First Place in ICDAR 2023 DTT (Detecting Tampered Text) in Images Task 2: Text Manipulation Detection.
2024	Our Company was listed on the STAR Market of Shanghai Stock Exchange (stock code: 688615).
	We won Champion in AI Identity Verification — Financial Scenario (Tampering Detection) awarded by Chinese Society of Image and Graphics, Ant Group, among other institutions.

OUR MAJOR SUBSIDIARIES

Our business operations have been carried out by our Company and our subsidiaries. The following sets forth information about our two major subsidiaries as of the Latest Practicable Date.

Shanghai Linguan

Shanghai Linguan was established with limited liability in the PRC on November 8, 2017. As of the Latest Practicable Date, Shanghai Linguan was wholly owned by our Company and was primarily engaged in the operation of *CamScanner* products and advertising-related businesses.

Shanghai Shengteng

Shanghai Shengteng was established with limited liability in the PRC on August 1, 2017. As of the Latest Practicable Date, Shanghai Shengteng was wholly owned by our Company and was primarily engaged in the operation and sales of *Qixinbao* and *Qixin Insight* product.

CORPORATE DEVELOPMENT

Early Development of Our Company

In August 2006, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB1 million. Upon establishment, our Company was beneficially owned as to 90% by Dr. Zhen and 10% by Mr. Chen Qingshan[Note].

Upon completion of several rounds of capital increase and share transfer, as of September 2019, the registered capital of our Company was increased to RMB11,084,455.

Note Dr. Zhen's interest in our Company was held by an individual (an Independent Third Party) on behalf of Dr. Zhen at that time, and such entrustment arrangement was terminated by October 2010 through a series of equity transfers. In November 2006, Mr. Chen Qingshan's interest in our Company became held by an individual (an Independent Third Party), and such entrustment arrangement was terminated in August 2008 upon the transfer of such interest back to Mr. Chen Qingshan. As advised by our PRC Legal Advisors, the above shareholding entrustment arrangements were not in violation of any applicable PRC laws or regulations.

In June 2020, our Company was converted from a limited liability company to a joint stock limited company with a registered capital of RMB75 million, and our name was changed to Intsig Information Co., Ltd. (上海合合信息科技股份有限公司), and the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding
		(%)
Dr. Zhen[(1)]	24,187,800	32.25
LUO Xiping[(2)]	5,127,000	6.84
CHEN Qingshan[(3)]	4,696,425	6.26
Shanghai Muyiran[(1)]	2,892,600	3.86
LONG Teng[(4)]	2,638,650	3.52
Shanghai Duanlin[(1)]	1,157,025	1.54
Shanghai Rongliran[(1)]	925,650	1.23
Shanghai Dingluo[(1)]	786,750	1.05
Other Shareholders	32,588,100	43.45
Total	**75,000,000**	**100**

Notes:

(1) Each of Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo is our employee shareholding platform and is controlled by Shanghai Shihou as the general partner, which is in turn controlled by Dr. Zhen.

(2) Mr. Luo Xiping is our senior algorithm R&D engineer.

(3) Mr. Chen Qingshan is our executive Director and deputy general manager.

(4) Mr. Long Teng is our executive Director, employee representative Director and deputy general manager.

Listing on the Shanghai Stock Exchange

In September 2024, we completed the listing of our A Shares on the STAR Market of Shanghai Stock Exchange (stock code: 688615) (the "**A-Shares Listing**"). In the A-Shares Listing, we issued an aggregate of 25,000,000 A Shares. As part of the A-Shares Listing, we conducted a strategic placing through which, among others, 808,988 A Shares (representing 0.81% of our total share capital upon completion of the A-Shares Listing) were allocated to CICC Intsig No. 1 Employee Participating in Strategic Placing Collective Asset Management Plan (中金合合信息1號員工參與戰略配售集合資產管理計劃) (the "**Employee Shareholding Plan**"), a collective asset management plan managed and controlled on a discretionary basis by China International Capital Corporation Limited (中國國際金融股份有限公司)[Note], a professional asset manager. The Employee Shareholding Plan subscribed for such A Shares for certain Directors, senior management members and key employees of our Group, who were confident in the Group's long-term development.

Note China International Capital Corporation Limited is the holding company of China International Capital Corporation Hong Kong Securities Limited, the Sole Sponsor.

Subsequent Shareholding Change

In May 2025, our Company issued 40,000,000 A Shares to our then existing Shareholders in proportion to their respective shareholdings by capitalizing the capital reserve of our Company for the purpose of dividend distribution.

As of the Latest Practicable Date, the shareholding structure of our Company is set out as follows:

Shareholder	Number of A Shares	Approximate percentage of shareholding
		(%)
Dr. Zhen[(1)]	33,862,920	24.19
LUO Xiping	7,177,800	5.13
CHEN Qingshan	6,574,995	4.70
Shanghai Muyiran[(1)]	4,049,641	2.89
LONG Teng	3,694,110	2.64
Shanghai Duanlin[(1)]	1,619,835	1.16
Shanghai Rongliran[(1)]	1,295,910	0.93
Shanghai Dingluo[(1)]	1,101,450	0.79
Other A Shareholders[(2)]	80,623,339	57.59
Total	**140,000,000**	**100**

Notes:

(1) As of the Latest Practicable Date, Dr. Zhen controlled 29.95% of the total issued share capital of our Company, comprising 24.19% direct interest and 5.76% indirect interest held through Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo, each controlled by Shanghai Shihou as the general partner, which was in turn controlled by Dr. Zhen. Dr. Zhen, Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran, Shanghai Dingluo and Shanghai Shihou constitute our Single Largest Group of Shareholders. For more details, see "Relationship with our Single Largest Group of Shareholders."

(2) To the best knowledge of our Directors, other A Shareholders included over 8,000 Shareholders as of the Latest Practicable Date. Among such A Shareholders, the Employee Shareholding Plan held 1,132,583 A Shares for certain Directors, senior management members and key employees of our Group, representing approximately 0.81% of our total share capital as of the Latest Practicable Date, including (i) 0.43% for our connected persons, including 0.19%, 0.06%, 0.05%, 0.05%, 0.04%, 0.03% and 0.02% for Dr. Zhen, TANG Songrong, CAO Chaoyang, LIU Chen, CHEN Qingshan, LIU Yaqin and LONG Teng, respectively, (ii) 0.03% for YE Jiajie, our financial director, and (iii) 0.35% for other key employees.

(3) Any discrepancies in the table and note(s) above between the total shown and the sum of the amounts listed are due to rounding.

MATERIAL ACQUISITIONS AND DISPOSALS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and as of the Latest Practicable Date.

PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Advisor, we have legally and properly completed, settled, and obtained all requisite legal approvals and completed all requisite governmental registrations with relevant governmental authorities in the PRC with respect to all the aforesaid capital increases, assets transfers and equity transfers.

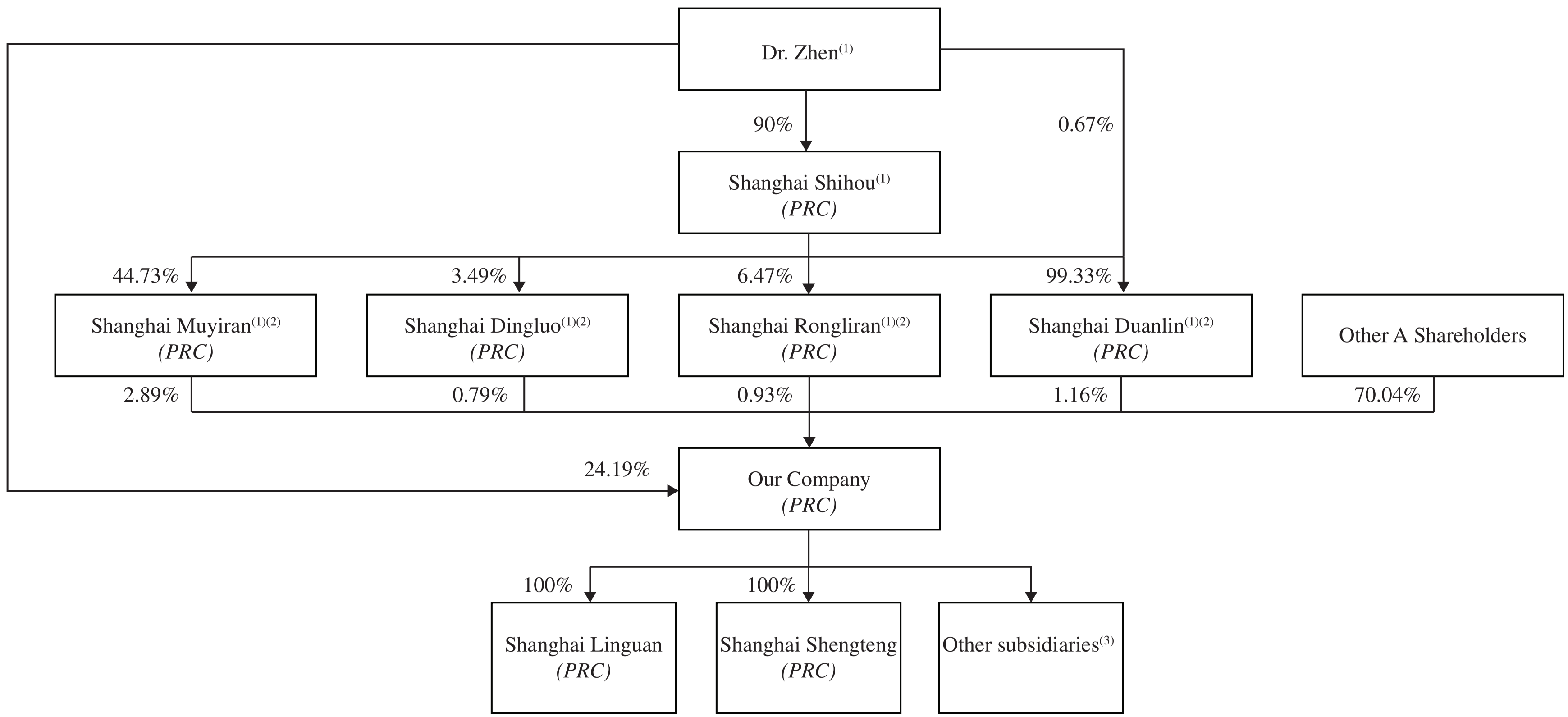
OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company has been listed on the STAR Market of Shanghai Stock Exchange since September 2024. Our Directors confirmed that, and our PRC Legal Advisor is of the view that, since our listing on the STAR Market of the Shanghai Stock Exchange and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor and the view of the PRC Legal Advisor, nothing has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the STAR Market of Shanghai Stock Exchange.

Our Company seeks to be [**REDACTED**] on the Stock Exchange in order to support its global expansion, enhance worldwide capital operation capabilities, strengthen its brand recognition and overall competitiveness, and consolidate its industry position. See "Business — Our Strategies" and "Future Plans and Use of [**REDACTED**]" for more details.

CORPORATE STRUCTURE

The following chart sets forth our major corporate structure immediately prior to the [**REDACTED**] (assuming no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]):



Notes:

(1) As of the Latest Practicable Date, Dr. Zhen controlled 29.95% of the total issued share capital of our Company, directly and indirectly through Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo, each controlled by Shanghai Shihou as the general partner, which was in turn controlled by Dr. Zhen. See "Relationship with Our Single Largest Group of Shareholders" for more details. As of the Latest Practicable Date, Shanghai Shihou was owned as to 90% by Dr. Zhen and 10% by Mr. Long Teng. As Mr. Long Teng is not involved in the management of Shanghai Shihou and has no concert party arrangement with Dr. Zhen, Mr. Long Teng is not considered as a member of our Single Largest Group of Shareholders.

(2) Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo are our employee shareholding platforms. As of the Latest Practicable Date,

(i) Shanghai Muyiran was owned as to approximately (i) 44.73% by Shanghai Shihou, (ii) 4.00% by Mr. Liu Chen, an executive Director and Board secretary, and 51.27% by 25 existing or former employees of our Group holding between approximately 0.06% and 13.04% therein, each a limited partner.

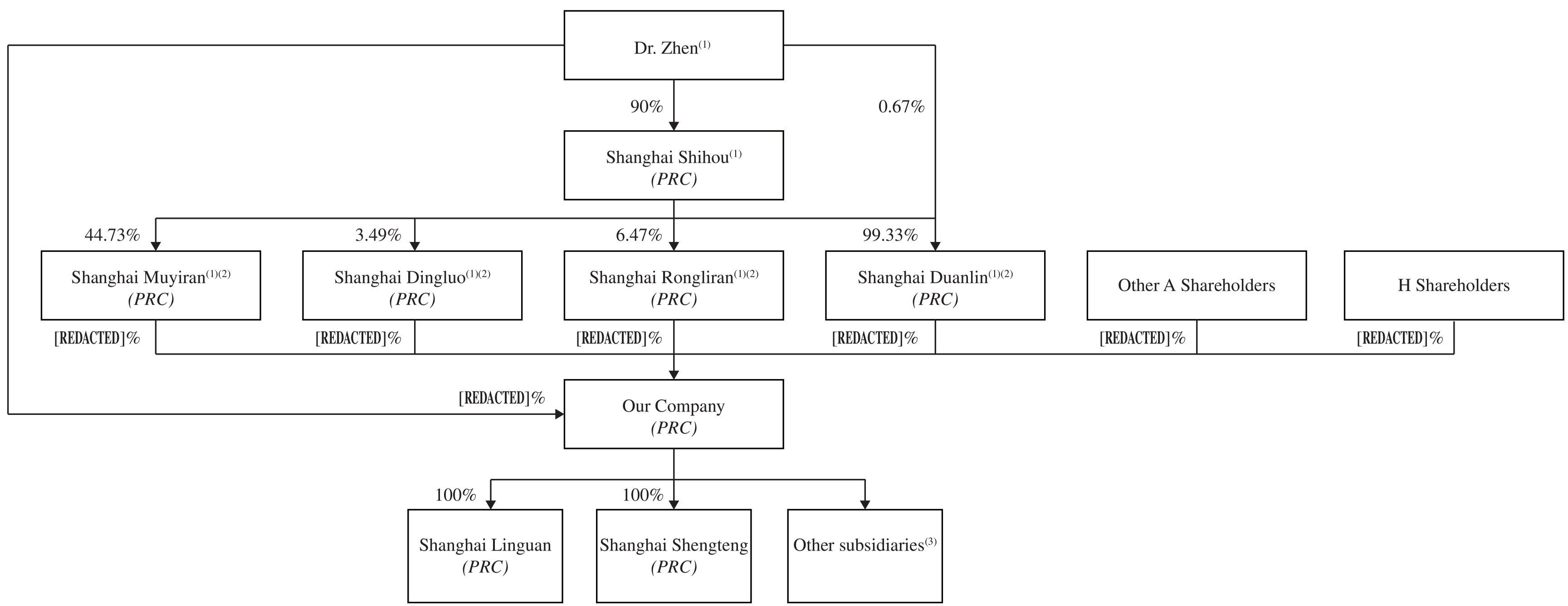
(ii) Shanghai Duanlin was owned as to approximately (i) 99.33% by Shanghai Shihou, and (ii) 0.67% by Dr. Zhen as a limited partner.

(iii) Shanghai Rongliran was owned as to approximately (i) 6.47% by Shanghai Shihou, and (ii) 5.94% by Ms. Liu Yaqin, our executive Director, 87.59% by 37 existing or former employees of our Group holding between approximately 0.31% and 12.50% therein, each a limited partner.

(iv) Shanghai Dingluo was owned as to approximately (i) 3.49% by Shanghai Shihou, and (ii) 96.51% by 30 employees of our Group holding between approximately 0.11% and 16.18% therein, each a limited partner.

(3) As of the Latest Practicable Date, we had over 10 other subsidiaries established in various jurisdictions.

The following chart sets forth our major corporate structure immediately after the completion of the [**REDACTED**] (assuming that the [**REDACTED**] has not been exercised and that no changes are made to our issued share capital between the Latest Practicable Date and the [**REDACTED**]):



Notes:

(1) to (3) See the respective notes to the corporate structure chart immediately prior to the completion of the [**REDACTED**] as set out above.

OVERVIEW

Our Mission

Empowering greater human efficiency through innovation.

Our Corporate Spirit

Progressive, benevolent, innovative.

Who We Are

We are a world-leading artificial intelligence (AI) product company, founded in 2006 by a group of visionary scientists driven by technological ideals. We craft products that tackle real problems with real ease ("真有用、真好用"). Since our inception, we have been committed to empowering innovation through AI technology, delivering products to hundreds of millions of users and diverse industries worldwide. Backed by over 18 years of AI research and application expertise, we have become a global leader in text intelligence technology empowered by multimodal LLM. Our business spans over 200 countries and regions worldwide. We continue to lead the technological development and commercialization of AI, advancing global digital intelligence and enabling greater efficiency.

We ranked first in China and fifth globally in terms of revenue among companies with over 100 million monthly active users (MAU) in global individual efficiency AI products in 2024, and maintain strong growth momentum, according to CIC. As an AI-native company, our success is marked by three unique achievements:

(i) large-scale profitability;

(ii) massive user bases in both China and the world; and

(iii) scaled revenue from both individual user and enterprise products.

Our Core Products

We offer a comprehensive product portfolio for global individual users and enterprise customers across diverse industries.

Individual User Products

Drawing on years of AI technology expertise and deep insights into user needs, we have independently developed and launched a series of individual user products, including *CamScanner*, *CamCard* and *Qixinbao*:

- ***CamScanner* —The world's largest AI product for image-based text processing.** We launched *CamScanner* in 2010, the dawn of the mobile app era, making it one of China's first iconic mobile apps. This pioneering product rode the wave of the smart terminal revolution and has been defining efficiency standards with cutting-edge AI technologies. *CamScanner* topped the download list of free efficiency apps in 84 countries and regions on the Apple App Store at various times since 2013, according to CIC. As of March 31, 2025, *CamScanner* served over one billion users across more than 200 countries and regions, measured by the number of devices. It is the world's largest AI product for image-based text processing in terms of MAU for March 2025; furthermore, it is one of the few super apps globally to remain online for over 15 years, with MAUs surpassing 100 million and revenue growing at a CAGR of over 20% from 2022 to 2024, according to CIC. *CamScanner* integrates document scanning, format conversion, intelligent editing and AI enhancements, continuously reshaping document processing through innovations in text intelligence technology empowered by multimodal LLM. Its AI core features, such as AI Magic Pro, AI Smart Erasure, AI Edge Detection, AI Sign, AI Translate and AI Chat, generated approximately 150 million aggregate daily calls as of December 31, 2024.

- ***CamCard* — A leading global AI product for business networking.** We introduced *CamCard* in 2009, aspiring to transform global business networking. *CamCard* topped the download list of free business apps in 41 countries and regions on the Apple App Store at various times since 2013, according to CIC. In 2024, we launched the online digital business card feature, further tapping into the global digital business card market. We have continuously enhanced *CamCard* in recent years with new AI-empowered features, including AI Text Recognition and AI Business Card Insights.

- ***Qixinbao* — A commercial data intelligence product.** Launched in 2015, *Qixinbao* leverages our in-house DIKI (Data-Information-Knowledge-Intelligence) governance framework to create a complete value chain from data aggregation to intelligent decision-making. Leveraging our robust capabilities in data mining and analysis, combined with technologies, such as NLP, knowledge graphs, deep learning and LLM, *Qixinbao* offers a panoramic credit analysis platform covering over 300 million enterprises. With 200 billion commercial enterprise data entries, it delivers millisecond-level real-time processing and analysis, establishing it as a benchmark in China's commercial intelligence data field.

Enterprise Products

We transform years of technology expertise and use case know-how into standardized AI products, delivering scalable tools to enhance efficiency and risk management for enterprise customers. We encapsulate multimodal text intelligence technology into standardized product modules, and with a continuously optimized adaptive learning system, we have developed standardized enterprise AI products that can be deployed across industries, effectively solving the pain points of low manual efficiency and accuracy in actual business operations, helping customers reduce costs and boost productivity. We serve customers in nearly 30 industries, including manufacturing, banking, insurance, retail and technology, with key customers comprising around 160 companies in Fortune 500. Our enterprise customers also include peer companies in the AI sector, indicating high recognition of our product strengths. Below are our two flagship enterprise products:

- ***TextIn* — An enterprise-level AI product suite for intelligent text processing.** Built on our multimodal text intelligence technology, *TextIn* provides a rich set of AI functional modules, encompassing generic functions, such as intelligent extraction and image processing, parsing and full-process automation of documents, as well as sector-specialized features, such as invoice recognition, certificate verification, table parsing and contract comparison. *TextIn* delivers high-precision document recognition and parsing for industries such as manufacturing, finance and healthcare, performing over hundreds of millions of tasks daily. Notably, *DocFlow*, an operational module within the *TextIn* suite, functions as a self-evolving document processing agent. Its breakthroughs in intelligent process orchestration, optimized memory modules and full-stack AI for structured parsing and semantic understanding have empowered over 1,000 customers across manufacturing, logistics and finance, boosting document processing efficiency and driving intelligent operational transformation for enterprise customers.

- ***Qixin Insight* — An enterprise-level AI product suite for commercial data intelligence.** Powered by AI-driven data modeling, mining and knowledge graph technologies, *Qixin Insight* offers data-driven applications for supply chain risk control, financial risk management and customer acquisition. Its modules include AI Sourcing and Procurement, AI Enterprise Profiling and AI-empowered Business Risk Analysis. Serving over 1,000 leading customers in manufacturing, finance, pharmaceuticals, energy, automotive and trade, it performs over 20 million daily risk scans. *Qixin Insight* generates insights of risks and opportunities, supporting departments including risk control, legal, procurement, finance, credit and marketing with digital intelligence across scenarios such as due diligence, compliance and customer acquisition. Its commercial database with 200 billion commercial enterprise data entries and proprietary network analysis algorithms enable millisecond-level parsing of complex relationships, such as shareholding penetration and controller identification.

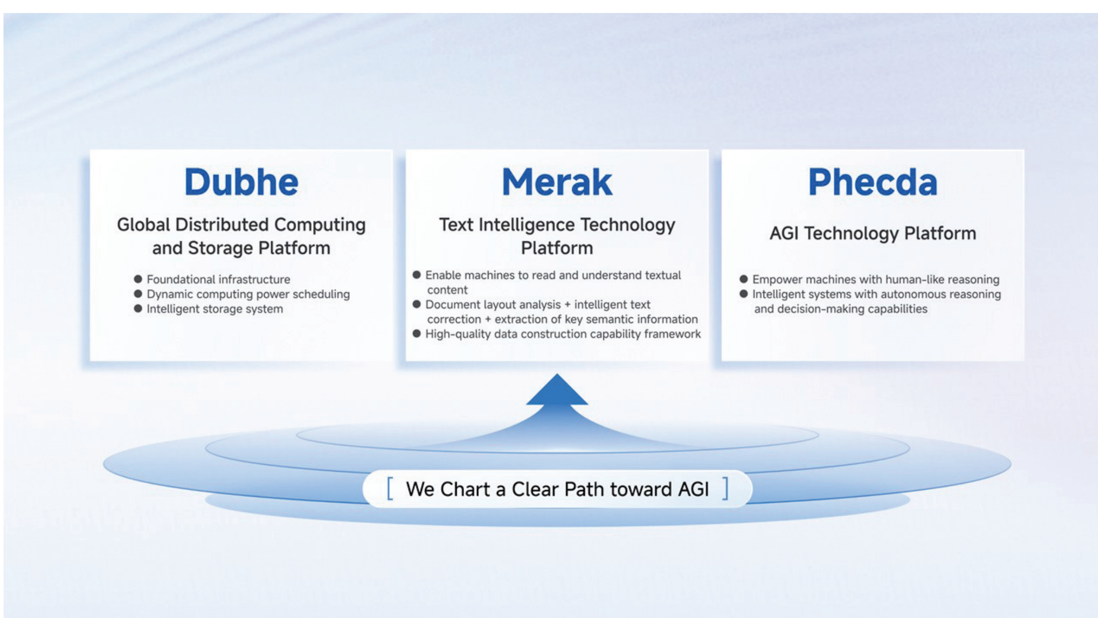
Our Core Technology

Founded by seasoned AI scientists in 2006, we have long believed that artificial general intelligence (AGI) technologies will revolutionize human efficiency. Committed to long-termism, we have focused on advancing AI core technologies with AGI as our ultimate goal.

We believe that high-quality knowledge data processing is a core competency of AGI. Language and text, as the primary medium of knowledge data, serve as the key pathways to achieving it. Our priority is to equip machines with advanced reading comprehension, placing text intelligence perception and cognition at the core of our R&D efforts.

Our multimodal technology processes and understands text, images and videos simultaneously, enhancing perception and reasoning by integrating multiple data sources. Compared to traditional text intelligence, our multimodal approach tackles challenges such as perception in complex scenarios, multidimensional semantic understanding and structured governance of multi-source, unstructured text. Years of frontier AI R&D have positioned us as a global leader in this field.

Leveraging AI's three pillars — algorithms, computing power and data — we have proactively built three foundational platforms: Dubhe (天樞), Merak (天璇) and Phecda (天璣). These platforms, accessible via cloud service APIs and customer-side SDKs, underpin our robust product functionality and performance for both individual and enterprise users.



- ***Dubhe — Global Distributed Computing and Storage Platform***

As the backbone of AGI, Dubhe provides an advanced and secure global distributed network architecture and computing power and storage infrastructure. Launched in 2011, it supports billions of users across over 200 countries and regions, ensuring stable, efficient and secure AI functionalities and enabling large-scale global deployment. Dubhe features a high-performance network architecture that delivers efficient, stable and secure data synchronization, providing exceptional AI-powered application experience for our global users. Leveraging a storage-compute decoupling architecture and hybrid training-inference scheduling technology, we significantly enhance GPU resource utilization efficiency. Additionally, our intelligent, distributed and highly accessible storage infrastructure ensures efficient storage, real-time synchronization and secure access to vast volumes of data from global users.

- ***Merak — Text Intelligence Technology Platform***

We aim to transcend the boundaries of machine perception and cognition in various complex scenarios through Merak, enabling human-like language and text understanding capabilities as a critical technological foundation for AGI. We have achieved pioneering innovations in document structure understanding, intelligent error correction and key information extraction. These breakthroughs endowed machines with true "reading comprehension" capabilities for text — far surpassing mere text recognition — by enabling semantic parsing of document layouts under multimodal conditions. This allows the system to not only accurately extract text information but also interpret deeper semantic logic based on the relative spatial position of the text.

Moreover, we are staunch advocates of the data scaling law, one of the three foundational scaling laws. High-quality knowledge data processing is a core competency of AGI. To harness its potential, we have committed to a data processing paradigm where high-quality data and multimodal text intelligence technology evolve synergistically. This approach unlocks the latent value of unstructured data and multi-source heterogeneous credible data. To support this vision, we have established an efficient, high-quality data engineering capability system that spans the entire data lifecycle. This robust framework provides advanced data processing capabilities for our AI products. Our data processing capabilities currently position us as an industry leader, according to CIC.

- ***Phecda — AGI Technology Platform***

The Phecda AGI technology platform is designed to create intelligent systems endowed with autonomous reasoning and decision-making capabilities, elevating text intelligence recognition from mere semantic understanding to human-like reasoning and autonomous decision-making of the machine — a cornerstone of our AGI vision. To realize this ambition, we pursue two strategic priorities:

(i) Frontier Exploration and R&D in Multimodal LLM: We are actively expanding the perceptual boundaries of text intelligence, propelling it from semantic understanding to autonomous reasoning and decision-making. This ongoing effort builds and reinforces our competitive advantage and technological barriers in the text intelligence domain while relentlessly pushing the technological frontiers of AGI.

(ii) Development of AI Agent Technologies: Leveraging our independently developed, industry-leading core technologies, and aligning with business scenarios and user demands for autonomous machine reasoning and decision-making, we are advancing the R&D of AI agent technologies in the realm of multimodal text intelligence. Through AI agent products based on multimodal text intelligence technology and equipped with autonomous reasoning and decision-making capabilities, we deliver user experience that exceeds expectations and generate commercial value across our current and future user scenarios.

Our R&D efforts have yielded substantial achievements, reflected in superior technological metrics, standout performances in AI competitions and successful product deployments across diverse scenarios.

Dubhe, Merak and Phecda cement our global leadership in text intelligence technology empowered by multimodal LLM and chart a clear path toward AGI. While pursuing this vision, we remain grounded, delivering practical, commercial AI products that tackle real problems with real ease.

Our AI technologies are continuously commercialized across both our individual user and enterprise products. For example, *CamScanner*'s features, such as AI Magic Pro, AI Smart Erasure, AI Edge Detection, AI Sign and AI Translate, are all powered by our AI core technologies. Notably, AI Magic Pro autonomously analyzes various image degradation issues through using our AI technology, dynamically selecting the optimal processing path and algorithms to address over ten types of issues on image, including poor lighting, color distortion, skewed angles, document deformation, text bleed-through, moiré patterns, shadows, reflections and finger occlusion. *CamScanner*'s image processing performance significantly surpasses that of industry peers, according to CIC.

In the case of *TextIn*, its document parsing capabilities demonstrate exceptional proficiency in understanding and reconstructing charts, with performance metrics that exceed those of leading international multimodal LLMs. Furthermore, the AI core technology behind its document anti-tampering feature has consistently secured championships in global AI competitions. Within the *TextIn* suite, the *DocFlow* exemplifies our development of AI Agent products based on multimodal text intelligence technology. *DocFlow* autonomously orchestrates and optimizes business processes and functions based on specific enterprise needs, significantly enhancing document processing efficiency for our enterprise customers.

Additionally, our products offer knowledge resources such as over 500 industry-specific topics and a cross-industry database covering 32 major sectors. These offerings are the result of applying our multimodal text intelligence technology to structurally govern and derive insights from multi-source, heterogeneous and unstructured text data.

Our Business Model

We are among the few AI-native companies with scaled revenue from both individual user products and enterprise products, driven by a dual growth engine strategy. This model blends high growth and high margin, with individual user subscriptions and standardized enterprise products driving strong revenue, margin and cash flow.

- **Individual User Products:** Products such as *CamScanner* and *CamCard* serve hundreds of millions of MAUs globally, with strong stickiness. Users accumulate digital assets, such as documents and business cards, on our products fostering network effects through sharing enabling low-cost, natural expansion. This natural network effects lead to a vast, high-quality user base that sustains our business growth.

- **Enterprise Products:** Following a product strategy that advances from scenario-based development to standardization, we initially penetrated industry verticals including manufacturing, banking, insurance and retail with tailored, differentiated products. We quickly amassed industry know-how and technological insights, then translated this expertise into standardized products such as *TextIn* and *Qixin Insight*, enabling mass-deployment across industries.

We believe that the best business model is to embed cutting-edge innovation into products that deliver real value. We are committed to offering products that tackle real problems with real ease to deliver long-term business value, facilitate AI commercialization and fulfill our vision of making the world more efficient. Our cutting-edge products expand into various scenarios and gather customer bases of diverse demographics. As a result, we accumulate industry expertise and know-how from the mass deployment of our products, which, in turn, fuel our continued R&D efforts.

We have demonstrated constant and robust growth and profitability. Our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, and further to RMB1,438.1 million in 2024 by 21.2%. Our revenue also increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025. Our net profit was RMB283.7 million, RMB323.2 million and RMB400.5 million in 2022, 2023 and 2024, respectively; and RMB98.3 million and RMB116.1 million in the three months ended March 31, 2024 and 2025, respectively. Our gross profit margin in 2022, 2023 and 2024 exceeded 80%. See "Financial Information."

OUR STRENGTHS

We believe the following competitive advantages have contributed to our success and will continue to drive our growth in the future:

Global Leader Dedicated to Enhancing Efficiency through AI Innovation

We are a global leader in efficiency AI products, driving transformative technological breakthroughs that enhance efficiency worldwide. Among companies with over 100 million MAUs in individual user efficiency AI products in 2024, we ranked first in China and fifth globally in terms of revenue, according to CIC. Our prominence is further evidenced by our recognition as the only Chinese company in App Annie's 2021 "Top Publisher Awards Global Top Five Business and Efficiency Application Companies."

Our flagship product *CamScanner* topped the download rankings for free efficiency apps in 84 countries and regions on the Apple App Store at various times since 2013, while *CamCard* topped the download list for free business apps in 41 countries and regions on the Apple App Store at various times since 2013, according to CIC. By December 2024, data from the China's App Store showed that searches for "*CamScanner*" outrank generic terms such as "scanning" and "text recognition," and "*CamCard*" surpasses terms such as "business card" and "electronic business card," establishing these products as synonymous with their respective categories.

With a growing global MAU base exceeding 100 million, we are one of the few AI-native companies with significant user bases in both China and the world, holding substantial user recognition in the efficiency product category.

Global Leader in Text Intelligence Technology Empowered by Multimodal LLM

We have capitalized on critical industry shifts to establish ourselves as a global leader in text intelligence technology empowered by multimodal LLM. Our foundational platforms — Dubhe, Merak, and Phecda — anchor our technological edge. As of March 31, 2025, our technology supported 56 languages and processed dozens of document types, including certificates, contracts, financial reports, receipts and customs declarations, addressing over ten complex scenarios such as moiré patterns, finger occlusion, uneven lighting, low definition and document creases. Our excellence is demonstrated by 16 championships in global AI competitions (ICDAR, ICPR, ICFHR) from 2019 to 2023, as well as our top ratings from China's Tai'er Laboratory in 2023, and top ranking in 2024 for our proprietary ACGE model on the C-MTEB, the largest Chinese-text benchmark for the evaluation of embedding models.

In 2024, we collaborated with the Chinese Society of Image and Graphics, the China Academy of Information and Communications Technology (CAICT) and others to develop and release the Text Image Tampering Detection System Technical Requirements group standard. In the same year, our innovative image tampering detection system won the championship in the "AI Identity Verification — Financial Document Tampering Detection" category at the Global AI LLM Attack and Defense Challenge, co-hosted by the Chinese Society of Image and Graphics and other institutions.

Qixinbao leverages our in-house DIKI governance framework to create a super knowledge graph with over 100 million nodes and tens of billions of relationships, enabling millisecond-level real-time processing and analysis of 200 billion commercial enterprise data entries. In 2024, we played a key role in drafting the "White Paper on the Standardization of Data Element Circulation" led by the National Technical Committee for Standardization, and the "White Paper on the Practices of External Data Management in Financial Institutions" led by the CAICT, contributing to the standardization of the data element market. Our data processing capabilities currently position us as an industry leader, according to CIC.

Products Tackling Real Problems with Real Ease, Fostering Broad, Loyal User Base

The combined MAUs of our core individual user products exceeded 170 million in December 2024, reflecting a broad and diverse user base. *CamScanner*, a globally leading efficiency AI product, serves users across all age groups and professions. A March 2025 survey using stratified sampling revealed that *CamScanner*'s new user demographics span from under 17 to over 51 years old, covering campus, workplace and daily life scenarios, and include professionals from industries such as healthcare, manufacturing and agriculture. Our diversified user demographics demonstrate *CamScanner*'s deep market penetration and ability to enhance efficiency across diverse sectors. *CamCard* targets the high-end professional networking market, with its active users primarily consisting of mid-to-senior-level corporate management personnel. *Qixinbao* caters to professionals in legal and financial fields, fostering a high-value user community of executives, R&D professionals and sales staff. Through differentiated positioning, these three products form a highly valuable user ecosystem.

The iOS version of *CamScanner* achieved 4.9-star ratings in both China and the U.S., with over 660 recommendations on App Store. *CamCard*'s iOS version also earned 4.9 stars, with over 440 App Store recommendations. From 2022 to March 2025, the monthly subscription renewal rate for our *CamScanner* and *CamCard* remained around 80%. A 2023 survey showed that over 60% of new *CamScanner* users learned about the product through word-of-mouth recommendations. From 2022 to 2024, the combined MAUs of our three core individual user apps grew from 133.0 million in December 2022 to 171.4 million in December 2024, with a CAGR of 13.5%. The paying user base of these apps increased from 5.3 million in 2022 to 7.4 million in 2024, with a CAGR of 18.2%, underscoring the strong user stickiness and commercial value of our individual user products.

Innovative, Standardized Enterprise Product Portfolio Serving High-Value Customers, Empowering Efficiency with Profound Expertise

We continuously deepen our enterprise market presence, leveraging our technical expertise and industry experience to build a standardized product portfolio, including flagship products such as *TextIn* and *Qixin Insight*. These products serve nearly 30 high-value industries, such as manufacturing, banking, insurance and retail. The customer base of our enterprise products has expanded significantly, with Fortune 500 customers growing from approximately 120 in 2022 to approximately 160 in 2024, and customers for our enterprise products increasing from over 2,500 in 2022 to over 3,200 in 2024.

Leveraging years of technology expertise and use case know-how, we transform traditional business processes through an innovative "intelligent recognition — rule validation — automated processing" model. For example, our *TextIn* contract extraction AI product for a leading commercial bank in China increased daily business processing capacity nearly one-hundred-fold, reducing review cycles from days to minutes and cutting manual review workload to 8% of its original level, saving over RMB1 million in annual labor costs. Our standardized AI product portfolio significantly enhances efficiency, meeting enterprise needs for digital and intelligent transformation and establishing strong competitiveness in the enterprise AI products market.

High Growth and Profitability Validates Leadership in AI Commercialization

We are one of the few AI-native companies worldwide to achieve large-scale profitability, driven by a business model combining high margin and high growth. Our frontier R&D is continuously reinforced by the invaluable industry know-how harnessed from the mass deployment of our products, which enables us to offer cutting-edge products with standardized functionality. Such technological strength underpin high customer retention and repurchase rates for both individual user subscriptions and standardized enterprise products. With low marginal costs, our products deliver significant economies of scale, driving exceptional revenue growth, gross margin and cash flow.

From 2022 to 2024, our revenue and net profit grew at a CAGR of 20.6% and 18.8%, respectively. The sales of our individual user products maintained gross profit margin of approximately 90%, while the gross profit margin of the sales of our enterprise products exceed 60%, reflecting stable high-margin performance. These financial results highlight our healthy business model and evidence our AI commercialization capabilities.

Stable Core Team with Over 18 Years of AI R&D and Commercialization Records

With profound expertise and acute technological insight, our core technology leadership has capitalized on major AI technological waves since our inception, translating technological advantages into product deployment capabilities. Laser-focused on AI research, this core team has remained highly stable with zero attrition.

Our founder, chairman of the Board, general manager and executive Director, Dr. Zhen Lixin, holds a Ph.D. in Pattern Recognition and Intelligent Systems from the Chinese Academy of Sciences. Dr. Zhen has consistently remained at the forefront of cutting-edge technologies and industrial applications. In 2005, he was selected as a "Shanghai Leading Talent" by the relevant authority in Shanghai. In 2021, he received the Second Prize of the Science and Technology Progress Award from the Chinese Society of Image and Graphics for his contributions to key technologies in document image recognition and understanding in complex scenarios. Dr. Zhen held 60 patents, including 24 international patents, and was the author of ten research papers as of the Latest Practicable Date. With the precision of a scientist and the vision of an entrepreneur, he has led our R&D team to achieve industry-leading breakthroughs in foundational technologies, product performance and user experience.

Our R&D team brings together industry veterans and emerging innovators. As of March 31, 2025, our R&D team had 638 personnel, accounting for approximately 60.6% of our workforce. Our core R&D team is led by senior experts including Long Teng, Ding Kai, Guo Fengjun, Chen Qingshan and Zhang Bin, all of whom have academic backgrounds and work experience in the field of AI and have made significant contributions to our R&D capabilities. From 2019 to 2023, our core R&D team won a total of 16 first-place awards in globally recognized AI competitions such as ICDAR, ICPR and ICFHR. Dr. Long Teng has over 19 years of AI R&D experience and held 67 invention patents, including 23 international patents, as of the Latest Practicable Date. Dr. Long was awarded the Microsoft Fellowship by Microsoft Research Asia in 2005. Dr. Long published papers in top-tier journals such as Pattern Recognition and contributed to the national standard "Information Technology — General Specification for Compact Embedded Camera" (GB/T 36480-2018). Dr. Ding Kai has over 17 years of AI R&D experience and held 22 invention patents with 22 published research papers as of the Latest Practicable Date.

OUR STRATEGIES

We plan to focus on the following key strategies to achieve our mission and further consolidate our market leadership:

Strengthen AI Core Technology R&D in Pursuit of AGI Goal

We remain committed to staying at the forefront of industry technology, which is a key driver of our success. In the future, we will steadfastly pursue the vision of AGI as our technological goal, continuously exploring its boundaries. Our goal is to develop high-value AI products with autonomous machine decision-making capabilities for our users through cutting-edge R&D of AI core technologies.

Frontier Exploration and Multimodal LLM Key Technology Development

(i) AI Frontier Fundamental Technologies: With AGI as our ultimate goal, we plan to undertake a long-term perspective to explore and develop frontier AI technologies. These include next-generation pre-training technologies, post-training technologies centered on reinforcement learning, Inference-Time Training lifelong learning LLM technologies, and end-side LLM training and inference technologies.

(ii) Text intelligence technology empowered by multimodal LLM: We expect to maintain our technological leadership by focusing on the evolution of LLM technologies, prioritizing research and application development in text intelligence technology empowered by multimodal LLM, with a particular emphasis on text perception and cognition. By integrating these technologies into our products to enhance user experience and leveraging user feedback to drive iterative improvements, we aim to achieve synchronized advancements in technology and product development.

(iii) AI Content Security Technology: We plan to enhance our capabilities in document and image tampering detection, expand authentication and security for faces, images and videos, and broaden our AI visual content security to include detection of AI-generated content.

AI Agent Key Technology R&D

We continuously advance our AI agent technologies, developing new services and exploring training and inference technologies for multimodal LLMs with robust Agent capabilities. This will push text cognitive intelligence toward deeper autonomous reasoning and decision-making. Additionally, we plan to focus on AI agent application technologies in key vertical scenarios, such as intelligent learning and data governance, to build technological and product barriers that strengthen our competitive edge.

Full Lifecycle Data Capabilities and High-Quality Data Foundation

We plan to enhance our data processing capabilities across the full lifecycle through a synergistic paradigm that integrates high-quality data with multimodal text intelligence technology. We plan to bolster our data foundation by expanding the accumulation of multi-source trusted data resources, enabling advancements in high-quality data engineering for AI LLMs, mitigating hallucinations, deeply mining the value of unstructured and multi-source heterogeneous data, and improving the quality and efficiency of model training and inference effectiveness.

Iterate Individual User Product Portfolio, Accelerate Expansion into New Functions, Regions and Products

We expect to continue to iterate and expand our individual user product portfolio to capitalize on the rapid growth phase of the AI product market. Our strategy focuses on three key areas: launching innovative functions, expanding the user base of existing products to new global regions, and exploring new products.

As of December 2024, *CamScanner* had expanded its presence to over 200 countries and regions, with its MAUs exceeding 100 million. There remains substantial room for growth in our international market commercialization, particularly in high-growth emerging markets with large populations and rapid digital economic development, such as Brazil, Indonesia and Mexico. In these markets, the MAU-paying user conversion rate remained less than one fourth of China's in December 2024. These untapped markets are our primary targets for global expansion. As these countries' digitalization accelerates and consumption power grows, combined with our refined operational strategies, we expect the paying user base of our individual user products to grow rapidly. We plan to tailor product functions to suit the diverse application scenarios of users in different countries and regions, offering features aligned with local habits and cultural characteristics, and implementing localized user operations.

We plan to leverage innovations in our underlying AI technologies to integrate text intelligence technology empowered by multimodal LLM into new functions for our individual user products. This will transform our efficiency AI products into intelligent user assistants, enhancing user experience, stickiness, and willingness to pay. For instance, we will upgrade AI features in the *CamScanner* app, such as AI Translate and AI Chat, and introduce additional cutting-edge functionalities.

Furthermore, we expect to build on the success of existing products by exploring commercial opportunities arising from multimodal processing needs for documents, images and videos. We plan to target high-growth areas such as learning efficiency tools and develop new products and services in diverse scenarios, such as AI learning and lifestyle applications.

Continuously Expand Global Enterprise Customer Coverage with Standardized Products, Strengthening Multi-Scenario Commercialization

Our enterprise products business holds significant potential. The global enterprise AI product market was US$35.7 billion in 2024 and is projected to grow to US$150.9 billion by 2029, at a CAGR of 33.4%, according to CIC. Our standardized AI product portfolio, including *TextIn* and *Qixin Insight*, is well-positioned to capitalize on this industry growth and unlock significant growth opportunities.

Leveraging our world-leading text intelligence technology empowered by multimodal LLM and extensive expertise across industry verticals, we will enhance the standardization capabilities of our enterprise AI products through continuous R&D innovation while addressing complex customer needs. We expect to focus on key industries such as manufacturing, banking, securities, insurance, logistics and energy, applying LLM technologies more deeply in scenarios such as supply chain risk control and auditing, financial risk management and auditing, customer acquisition, financial analysis and order management. This will enable us to replicate the standardization capabilities of our enterprise AI products, such as *Qixin Insight* and *TextIn*, across a broader range of business scenarios.

We expect to increase R&D investment in three critical LLM technologies: general document parsing, intelligent document extraction and general text vectorization. These efforts target key LLM application scenarios, including intelligent Q&A for enterprise knowledge bases, precise document editing and automated inspection. Leveraging our expertise in mitigating LLM hallucinations, we expect to foster collaborations with other leading LLM companies in the LLM accelerator business.

With a forward-looking global vision, we expect to seize opportunities in China's digital transformation and the rapid growth of emerging overseas markets in the digital economy era. We expect to empower the digital and intelligent transformation for diverse customers in areas such as fintech and digital retail, penetrating the market by tackling pain points including tax reporting management, financial document recognition and analysis for overseas customers. Our multimodal text intelligence technology, covering more than 50 languages, will accelerate the global expansion of our enterprise standardized products, such as *TextIn*.

We also plan to strengthen our global sales team to deliver higher-quality services to worldwide customers, maintain long-term cooperative relationships with lighthouse customers, and enhance service efficiency for a large number of long-tail customers, thereby expanding our enterprise business coverage.

Pursue Strategic Partnership and Investment Opportunities

We expect to focus on leading companies in the AI industry and key application scenarios, exploring opportunities for strategic partnerships to enhance our products with cutting-edge technologies, tackling critical scenarios.

We also plan to pursue strategic investment and acquisition opportunities to enrich our product portfolio and bolster our technological capabilities. We plan to focus on upstream and downstream companies in the AI industry chain with strong potential synergies, building a more robust commercial ecosystem through investments and mergers with emerging companies along the industry value chain and AI companies in similar or adjacent businesses.

Attract and Cultivate Top Research and Management Talent Worldwide

We view our talent strategy as a critical cornerstone of our long-term development. By attracting, cultivating and retaining top talent worldwide, we will ensure a solid foundation for continuous innovation and international expansion. We expect to actively recruit internationally renowned AI research experts to strengthen the talent base for our R&D strategy. For high-potential new joiners, we will establish a systematic training path to develop them into industry experts, optimizing learning and career support systems to empower their sustainable development. In our international expansion, we plan to prioritize recruiting and cultivating local research and management talent, fostering collaboration and knowledge sharing across global regions to build a global talent network. We will enhance long-term incentive mechanisms to enable core talent to share in our development achievements and strengthen team cohesion.

OUR BUSINESS

We are a world-leading AI product company, founded in 2006 by a group of visionary scientists driven by technological ideals. We craft products that tackle real problems with real ease. We are committed to empowering innovation through AI technology, delivering products to hundreds of millions of individual users and enterprises worldwide. With over 18 years of profound expertise in AI and long-term accumulation of high-value use case know-how, we have become a global leader in text intelligence technology empowered by multimodal LLM in the AI field. Our business spans over 200 countries and regions worldwide. We continue to lead the commercialization and scalability of AI technology, advancing global digital intelligence and enabling greater human efficiency.

We have built a strong foundation in AI through years of focused investment in areas such as document image processing and domain-specific multimodal LLM. Back in 2014, we were already among the early adopters of deep learning technologies and have since evolved those capabilities into a competitive advantage that drives both our research and product innovation. Our AI strategy is rooted in a deep understanding of real-world scenarios and long-term expertise in vertical domains. This allows us to create AI-native applications that go beyond general-purpose products, offering targeted, intelligent functionality that meets the specific needs of global individual users and enterprise customers across diverse industries.

For our individual user product offerings, we integrate LLM capabilities into existing product workflows to generate new forms of value. Leveraging our extensive expertise in AI technology, accumulated over years of dedicated R&D, and combining it with a profound understanding of user needs derived from comprehensive market analysis and user feedback, we have strategically formulated an innovative R&D approach. This approach enables us to design, develop and successfully launch a broad portfolio of cutting-edge AI products that meet diversified user needs.

For our enterprise product offerings, we follow a standardized, scalable approach to product development. We transform years of scenario expertise and solution development into standardized AI products, delivering scalable tools to enhance efficiency and risk management for enterprise customers.

These core technologies spanning vision-language understanding, cross-modal reasoning and large-scale document analysis have been successfully deployed across various business scenarios including finance, insurance, logistics and manufacturing. They power both individual user and enterprise products, forming a full-stack AI infrastructure that delivers real value. As we continue to expand our AI roadmap towards AGI, we remain committed to turning state-of-the-art research into practical and scalable products.

Our Technologies

Building on industry-standard technologies and our proprietary architecture, Dubhe (天樞), Merak (天璇) and Phecda (天璣) platforms, we have established a comprehensive technical ecosystem in the field of text intelligence, along with a strong and sustainable competitive advantage. This integrated ecosystem operates through the synergistic interaction of infrastructure, cognitive understanding and decision reasoning. As a result of this architecture, our technical ecosystem not only strengthens our core intelligent document processing capabilities but also establishes a technological pathway for text intelligence toward AGI.

- Dubhe serves as our foundational infrastructure, delivering high-availability, low-latency and secure infrastructure support for large-scale AI applications through its global distributed network architecture, dynamic computing resource scheduling and intelligent storage systems.

- Merak, our text intelligence technology platform, represents cognitive understanding. It enables a full technical loop from text perception in complex scenarios to deep semantic understanding, enabling machines to read and comprehend textual content with human-like understanding.

- Phecda, our AGI technology platform, marks a significant leap in multimodal LLM technologies. It drastically expands the frontiers of text intelligence while advancing the transition from semantic comprehension to autonomous reasoning and decision-making. As a result, our AI systems are now capable of analyzing complex problems, generating logical responses and solving end-to-end tasks.

This architecture deeply integrates cutting-edge AI technologies with vertical domain expertise. This synergy has redefined traditional text processing paradigms, significantly enhancing the precision, efficiency and adaptability of our core capabilities across diverse and demanding scenarios.

Our R&D roadmap follows a clear trajectory from text intelligence toward AGI. On the one hand, we continuously push the boundaries of LLMs in areas such as multimodal understanding and autonomous reasoning; on the other hand, we focus on modular technology delivery, emphasizing the alignment between model evolution and vertical deployment. By transforming research breakthroughs into scalable and deployable products, we deliver tangible value to users worldwide. This approach of combining technical depth with commercial scalability ensures our continued leadership in the field of text intelligence and establishes a solid foundation for our long-term goal of advancing toward AGI.

Dubhe — Global Distributed Computing and Storage Platform

The Dubhe platform serves as the foundational infrastructure for our AGI development, providing advanced and secure global distributed network architecture, computing power and storage infrastructure. Since its official launch in 2011, the Dubhe platform has delivered efficient, stable and secure AI functionality to hundreds of millions of users across over 200 countries and regions, serving as the core infrastructure that enables the large-scale global application of our AI products.

The Dubhe platform is designed to provide high availability and low latency for AI workloads and user traffic across the globe. We have built a high-performance network architecture delivering efficient, stable and secure data synchronization and outstanding AI-powered application experience to hundreds of millions of users. This architecture encompasses self-built networks, intelligent routing systems and multi-cloud coordination capabilities, achieving network stability and elasticity across regions and cloud environments. This architecture enables intelligent traffic rerouting in the event of regional disruptions, ensuring uninterrupted service delivery. For example, during the 6.5-hour outage of a major global cloud service provider in June 2021, our operations remained completely unaffected, demonstrating our system's exceptional resilience.

Additionally, we developed a proprietary "Global Unified Access" architecture that combines relational and document databases, Anycast-based global routing and API gateway capabilities. This architecture provides users with nearby access points and local data storage, balancing global data compliance with optimal access experience. It strictly adheres to data compliance requirements, ensuring user data remains within its country of origin while enabling seamless nearby access.

With AI models continually growing in scale, computing power has become a critical resource driving intelligence development. The Dubhe platform leverages technological innovation to achieve highly efficient utilization of GPU resources, supporting the massive computing demands for model training and inference as our AI products serve users globally. We have pioneered and implemented storage-compute decoupling architecture and hybrid training-inference scheduling technology, significantly improving the utilization efficiency of GPU resources, substantially reducing computing costs and enhancing elastic computing capacity. Specifically, the storage-compute decoupling architecture separates the compute and storage networks on GPU servers, improving system flexibility and stability. Meanwhile, the hybrid training-inference scheduling system enables intelligent allocation and reuse of GPU resources between model training and inference tasks, reactivating previously idle GPU capacity. These two proprietary technologies enable dynamic reuse of GPU resources across AI model training and inference, effectively addressing the growing demand and cost challenges associated with next-generation GPUs.

As a component of the Dubhe platform, we have developed an intelligent, distributed and highly accessible storage infrastructure that supports the efficient storage, real-time synchronization and secure access of our service from users in more than 200 countries and regions, making it one of the cornerstones of our AI systems. All storage and data transfer strictly comply with regulatory requirements, ensuring the privacy and security of global users. Our proprietary tiered storage technology analyzes user behavior periodically and employs an intelligent election algorithm to pre-classify data into personalized storage tiers. This technology significantly reduces overall storage costs while ensuring uncompromised user access experience, achieving an optimal balance between performance and cost. Overall, our storage technologies set industry benchmarks in performance, stability and scalability.

Merak — Text Intelligence Technology Platform

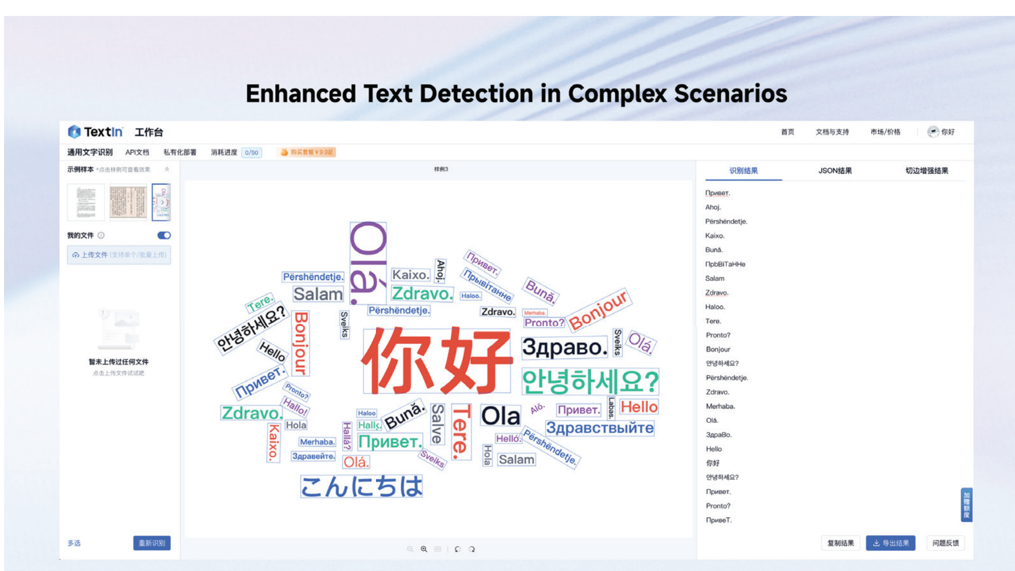
The Merak text intelligence technology platform represents our next-generation, deep learning-based text intelligence system. It enables machines to read and understand textual content by integrating document layout analysis, intelligent error correction and key semantic extraction into a unified technical framework. With these technologies, our machines are able to accurately extract textual information and also interpret its deeper semantic logic through the relative spatial position of text. The Merak platform lays the foundation for our machines to achieve human-like language and text comprehension and marks a crucial milestone in our journey toward AGI. Specifically, we have achieved the following technological breakthroughs:

Machine Learning and Deep Learning Algorithms for Complex Text Recognition Scenarios

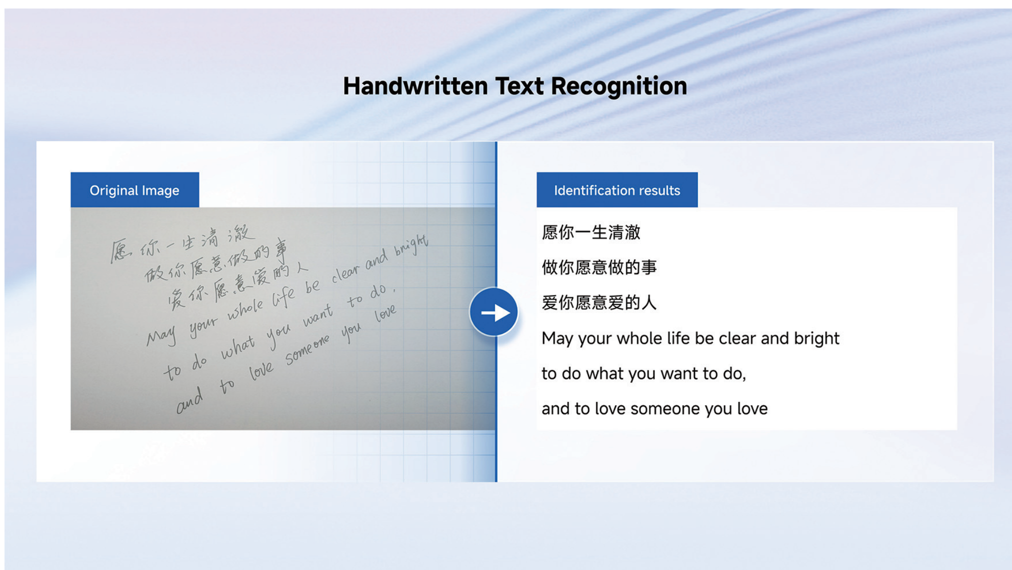
To tackle common challenges in text recognition, such as low image quality, severe distortions, illegible handwriting and the difficulty of deployment on mobile devices, we have conducted multiple iterations of algorithmic optimization. These enhancements include the implementation of efficient custom operators, the design of task-specific loss functions and innovative approaches to the autonomous design and construction of deep learning models. These technological advancements have been integrated into our proprietary capabilities, including intelligent image processing, text detection and recognition in complex visual environments. As a result, we have achieved industry-leading performance in terms of recognition accuracy, processing speed, system stability and storage efficiency.

Advanced Text Intelligence Technologies for Complex Scenarios

- Enhanced text detection in complex scenario: To address the challenges associated with text recognition in complex visual environments, such as multi-directional text, overlapping characters and curved seal text, we have developed a suite of advanced text detection technologies. These innovations significantly improve the detection accuracy for arbitrary quadrilateral regions and irregular curved text in document images.



- Handwritten text recognition optimization: In response to difficulties in handwritten text recognition, particularly the diversity of writing styles and poor legibility, we have implemented deep learning optimization techniques tailored for edge devices. These technologies have greatly improved recognition rates in challenging scenarios. For example, according to the China National Accreditation Service for Conformity Assessment (the "CNAS") test report, our *CamScanner* app has achieved an average handwriting recognition accuracy of 97.0% in real use cases. We have also successfully applied our text intelligence technology for complex scenarios across multiple business contexts. According to the CNAS test report, we have achieved recognition accuracy rates of 99.6% for ID cards, 99.2% for driver's licenses, 97.7% for VAT invoices and 98.5% for taxi receipts. These technologies have been widely adopted in various sectors requiring document verification, invoice processing and reimbursement automation.



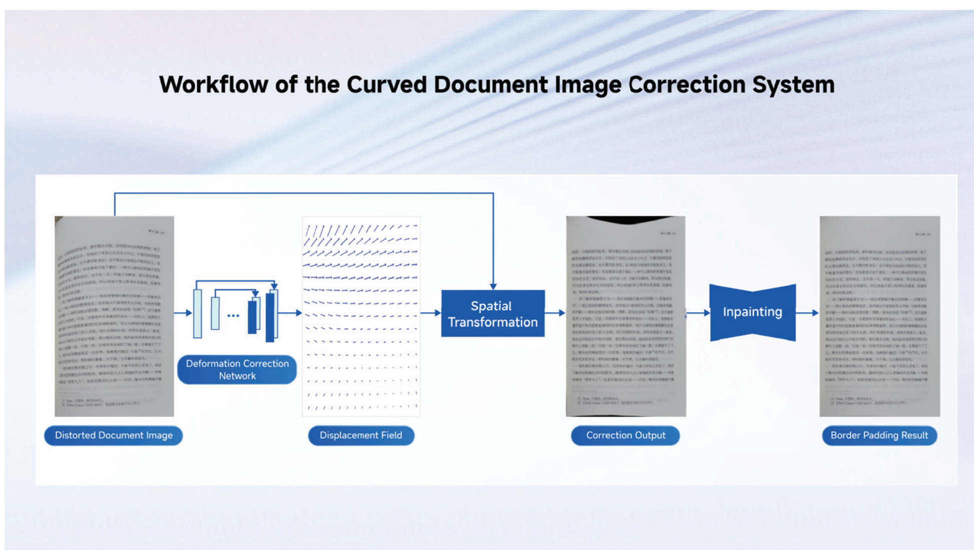
- Advanced document layout restoration: To address the challenges of restoring document layout structure in complex document images containing mixed elements such as images, tables, seals, handwritten text and printed text, we have developed an electronic document layout structure restoration solution. This solution integrates functionalities including text recognition, chart recognition, seal recognition, handwriting recognition, layout structure recognition and restoration, enabling the conversion of document images into editable files and significantly enhancing the editability of document images.

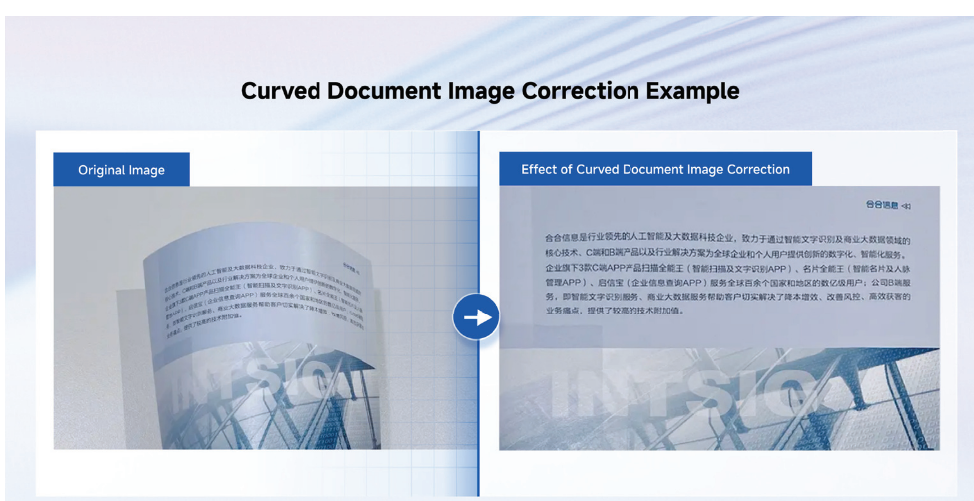
- Deployment of large-scale character recognition models: To address the technical challenges of deploying large-scale Chinese character recognition models on mobile devices, we have developed a high-accuracy, low-storage solution capable of recognizing over 20,000 character categories. This solution ensures high accuracy, efficiency and stability on resource-constrained, low-performance mobile devices.

Intelligent Image Processing Technologies for Complex Scenarios

We have conducted extensive R&D in intelligent image processing technologies for complex scenarios, achieving multiple technological breakthroughs. Key advancements are outlined as follows:

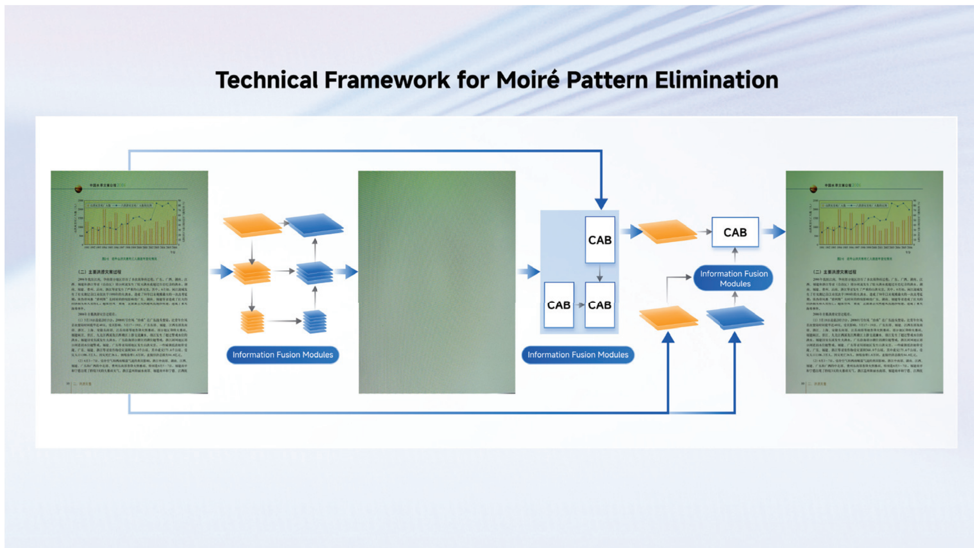
- Image distortion correction and alignment: Leveraging proprietary technologies for document image localization, perspective transformation and curved document image correction, we enable the restoration and correction of distorted images. This allows document images captured by mobile devices at any angle to be accurately localized and corrected, significantly enhancing text recognition performance in complex scenarios. Specifically, through the deformation correction network, our curved document image correction system determines the displacement field within the distorted document image and transforms it into a corrected output. The system then applies inpainting techniques to fill any border gaps, ensuring a properly padded and visually coherent result.

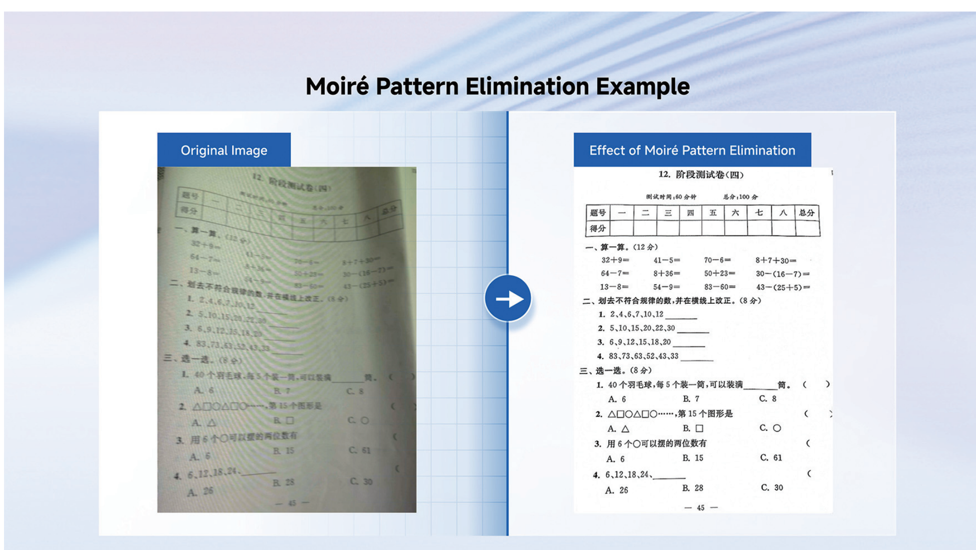


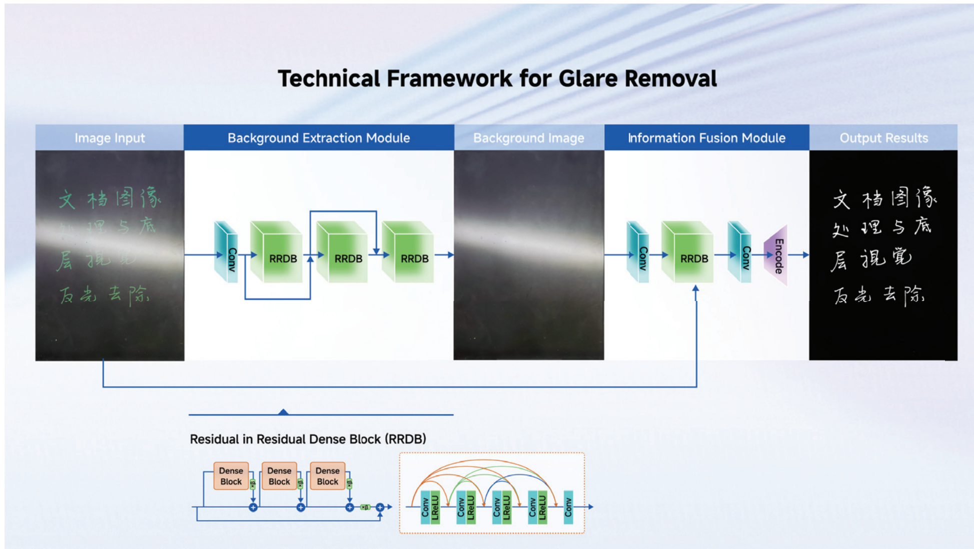


Source: TextIn Curved Document Image Correction

- Image preprocessing and enhancement: Through intelligent image processing technologies, we are able to perform deblurring, moiré pattern elimination, glare removal, shadow elimination and image enhancement on text images. These processes make textual information in images clearer and more prominent, substantially improving the accuracy of subsequent text recognition tasks.







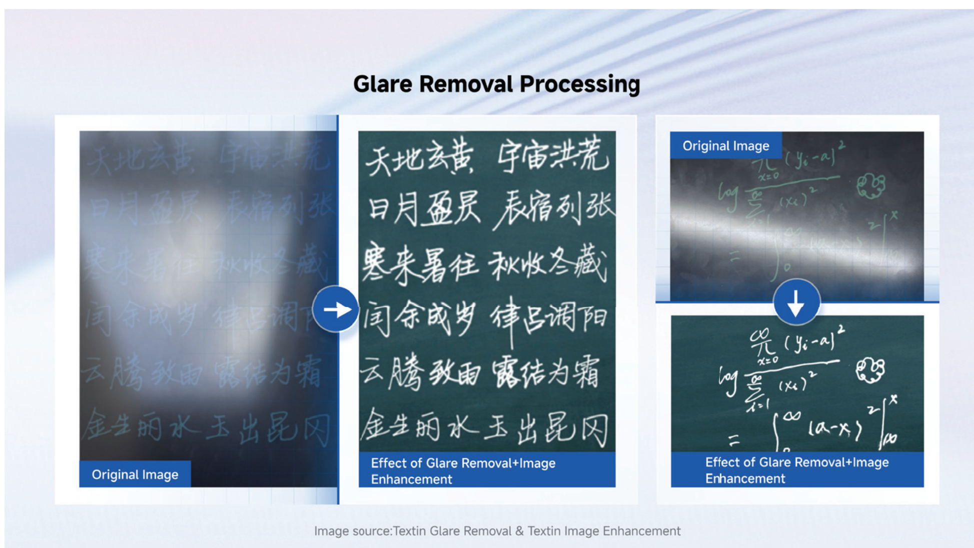


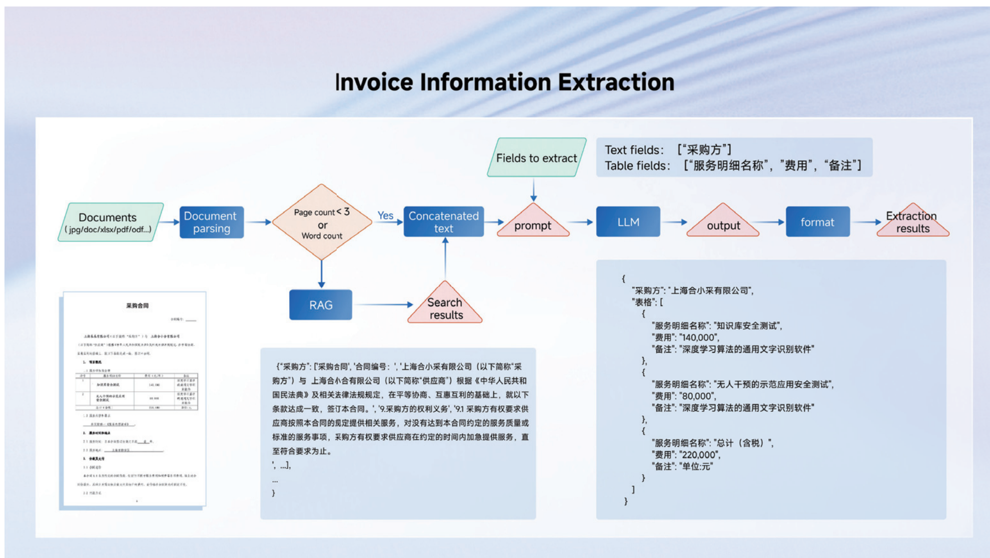
Image source:Textin Glare Removal & Textin Image Enhancement

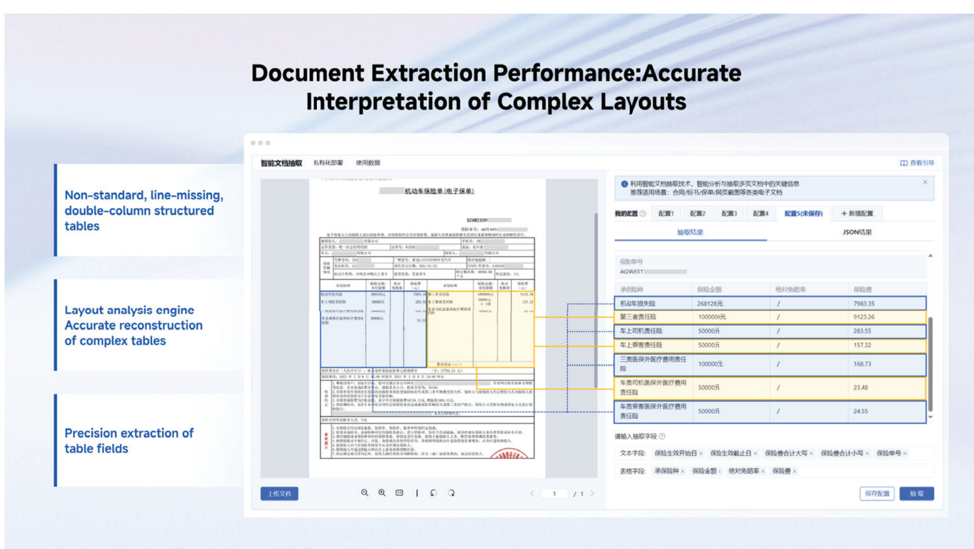
- Large-scale image stitching: Leveraging proprietary text image stitching technology, we enable the reconstruction of complete document images from multiple partial captures. This approach significantly improves the accuracy and efficiency of image recognition and interpretation in scenarios involving ultra-large or oversized documents, thereby enhancing the overall performance of existing products.

NLP Technologies for Complex Text Recognition Scenarios

We have conducted in-depth R&D in NLP technologies for complex text recognition scenarios, achieving significant advancements. Key developments include:

- Information extraction and structuring: By analyzing and understanding text types, the overall topological structure of documents and the semantic relationships between multiple text entries, we enable the localization, extraction and structured output of key information. This technology has been widely deployed for key information extraction and structured processing across various document types for both individual users and enterprise customers. For example, this technology enables the extraction of key invoice information, including company name, fees, and product and service details from documents such as contracts. Additionally, this technology precisely extracts table fields from and enables accurate analysis of complex layouts, including non-standard, line-missing, double-column structured tables.





• NLP-based text correction: Leveraging proprietary NLP-based text correction technology, we have enhanced the accuracy of recognized text by correcting errors such as typos, missing characters in contextual sequences and punctuation mistakes, significantly improving the precision of text recognition and comprehension.

Intelligent Data Processing Technology

We firmly believe in the data scaling law, one of the three fundamental scaling laws of AI: high-quality knowledge data processing is a core competency of AGI. Guided by this principle, we have developed an intelligent data processing framework that combines high-quality data with multimodal text intelligence technology, enabling us to unlock the full potential of unstructured and multi-source heterogeneous trusted data.

Our intelligent data processing framework supports the full data lifecycle and enables robust capabilities such as data cleansing, data annotation, data synthesis, data integration, data insight generation, data benchmarking, trusted data assessment, quality evaluation, and compliance and security measures. Our key progress includes:

- We aggregate and integrate unstructured data from diverse sources including business registration, legal proceedings, credit reports and public opinion. This has allowed us to build an ultra-large-scale commercial knowledge graph containing hundreds of millions of nodes and billions of business relationships.

- To address the ambiguity issue in the public business registration data, especially for the names of directors, supervisors and executives, we apply advanced disambiguation techniques to improve the accuracy and reliability of enterprise knowledge graph construction.

- By integrating NLP and knowledge graph technologies, we are able to reveal direct and hidden relationships between business entities and critical multi-hop connections within corporate networks.

- Catering to the needs of enterprise customers, we perform in-depth analysis through joint modeling of external data sources and customers proprietary information. For example, by correlating equity structures with proprietary guarantee data from financial institutions, we are able to effectively identify potential risks of circular guarantees for users.

High-Quality Data Synthesis Technology

High-quality data synthesis plays a critical role in AI development, particularly in scenarios where manual annotation is costly or labeled data is scarce. The key is to generate realistic synthetic data using algorithms to improve the diversity and robustness of training datasets. We apply a hybrid approach that integrates physics-based rendering, image stitching and Generative Adversarial Network modeling. This enables us to generate large volumes of high-quality data, significantly enhancing AI model robustness and performance, particularly in complex long-tail scenarios.

Data and Model Collaborative Iteration Technology

Data and model collaborative iteration technology aims to identify data defects and refine the data to provide feedback to the model, thereby achieving optimized iteration. The process typically involves three steps: first, we manually annotate the seed dataset to train the initial model. We then use the initial model to perform large-scale inference on unlabeled or weakly labeled data, generating prediction — label pairs along with confidence scores. Finally, we identify high-risk samples through deploying inconsistency detection, confidence thresholding, heuristic rules or active learning strategies on the samples, then route these samples to manual or semi-automated annotation platforms for review and correction, ultimately generating a new high-quality dataset. This iterative process enables the continuous co-evolution of data and algorithms, ultimately leading to robust datasets and high-performing AI models.

Phecda — AGI Technology Platform

The Phecda AGI technology platform represents a critical breakthrough in our journey toward AGI — a shift from language comprehension to human-like reasoning and decision-making. AGI's core objective is to endow machines with the capacity to reason, make decisions and act autonomously, much like humans. AGI goes beyond understanding language and images, enabling AI systems to independently analyze complex scenarios, form judgments and take actions in complex environments, ultimately achieving human-like cognitive capabilities.

As LLMs, particularly multimodal models, continue to evolve at a rapid pace, the Phecda Platform is designed to build next-generation AI systems with advanced cross-modal understanding and autonomous reasoning. The Phecda platform aims to pave the way for text intelligence to evolve from semantic comprehension to autonomous machine decision-making — a key goal of AGI.

Text Intelligence Technology Empowered by Multimodal LLM

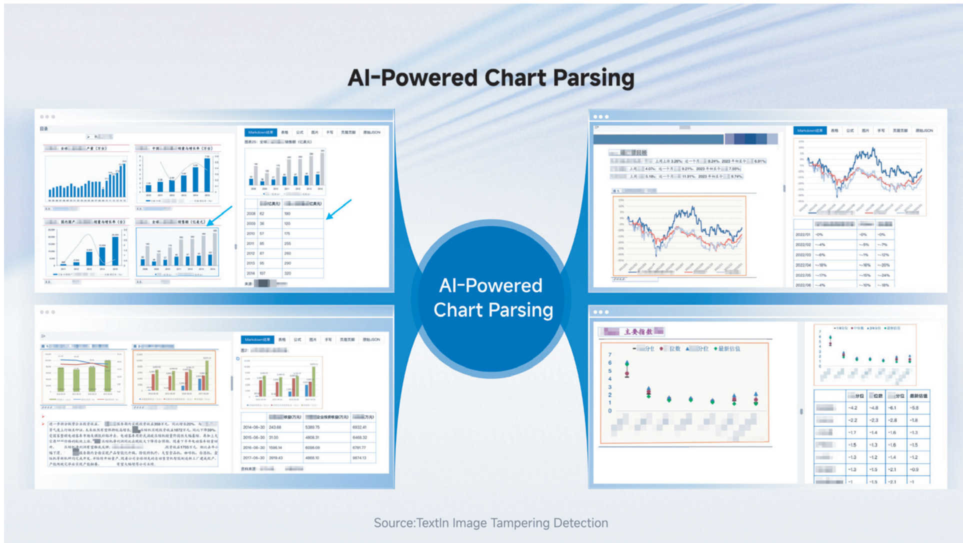
The Phecda AGI platform is designed with the long-term vision of achieving AGI. By leveraging cutting-edge LLM technology and centering on text as the primary axis while integrating multiple data types such as text and images, the platform significantly expands the boundaries of machine perception in the realm of text intelligence. Furthermore, it extends the boundary of text intelligence from semantic understanding to autonomous reasoning and decision-making.

The Phecda AGI platform goes beyond conventional multimodal AI capabilities. It enables machines to understand the semantics of documents with text and images and interpret and reconstruct content types that are typically difficult to analyze for traditional deep learning models, such as charts and graphs, flowcharts and complex organic chemistry formulas. In addition, the platform advances from simply extracting structured information from semantic content to performing logical reasoning based on both textual and visual data. This enables the platform to autonomously analyze problems and make decisions, a significant step toward human-like AI. For example, in our *TextIn*, Phecda-based models have demonstrated industry-leading performance in chart interpretation and reconstruction, even outperforming advanced multimodal LLMs, proving their effectiveness in real enterprise scenarios. The following two examples showcase the technological sophistication of our text intelligence technology empowered by multimodal LLM and its real-world applications.

- AI-Powered Chart Reconstruction Technology: This technology enables accurate reconstruction of complex charts embedded within document images. At its core, the system leverages text intelligence technology empowered by multimodal LLM to achieve both semantic understanding and structural analysis, allowing high-fidelity conversion from visual chart elements to structured data. Unlike traditional image recognition approaches, this technology models and infers the underlying data logic and visualization rules behind each chart. The system extracts key features from chart images, identifies chart types and elements, and maps them into a high-dimensional semantic space via a multimodal LLM. It then performs semantic reasoning to understand the data behind the visuals — such as mapping bar positions to values or interpreting slice angles in pie charts. This enables accurate reconstruction of original data, which is output as standardized tables compatible with Excel or other data systems. In June 2025, we conducted an internal benchmarking test comparing our proprietary model used to empower *TextIn* with two multimodal LLMs using a diverse set of charts drawn from public datasets. The models were evaluated using three key metrics: header text recognition accuracy rate, value reconstruction error rate and structure reconstruction accuracy rate. The results demonstrated that our in-house model significantly outperformed these two multimodal LLMs across all benchmarks, highlighting our technological advantage in chart reconstruction.

Benchmarking test with two advanced multimodal LLMs

Model	Table Header Text Recognition Accuracy Rate	Table Value Reconstruction Error Rate	Table Structure Reconstruction Accuracy Rate
Ours	96.6%	4.6%	92.0%
Multimodal LLM G	85.5%	12.8%	70.0%
Multimodal LLM O	81.7%	20.3%	68.4%

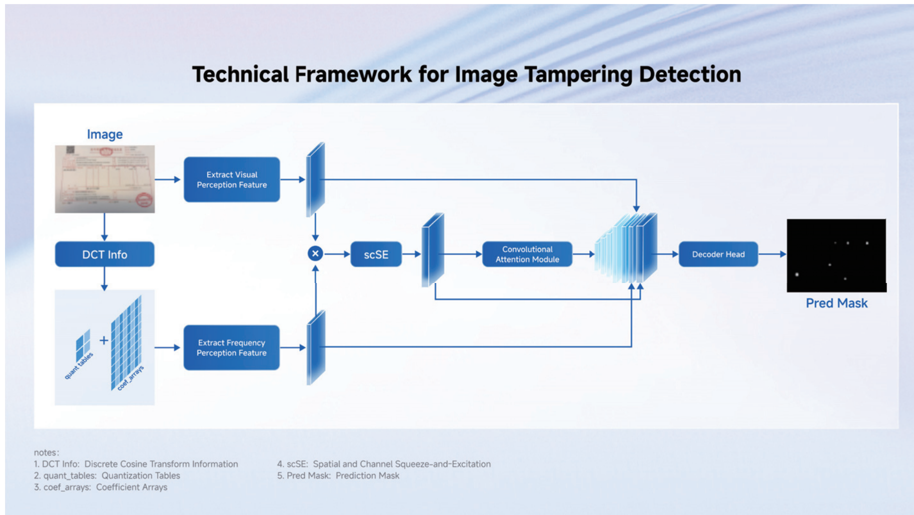


- Tampering and Forgery Detection Technology: This technology leverages the deep semantic modeling and cross-domain feature fusion capabilities of our text intelligence technology empowered by multimodal LLM to construct an intelligent detection system. This system offers capabilities including automatic discrimination of text and non-text information, semantic understanding and visual localization, identifying and pinpointing the exact locations of text. Beyond focusing on visual features of images, the system performs in-depth analysis of the structural consistency and semantic logic of the images across multiple dimensions, including frequency and text semantics, allowing for a comprehensive determination of whether an image contains potential traces of tampering, forgery or AI synthesis. For instance, this technology can be used for detecting tampering and forgery of ID cards, driver licenses and invoices.

  In terms of technical approach, the system first employs multimodal neural networks for multi-domain joint modeling of document images. Specifically, the system identifies anomalous image spectral characteristics and reconstructs potential editing pathways. Based on the fused analysis of these heterogeneous signals, the multimodal LLM autonomously constructs a semantic representation map of image authenticity, which was used to infer whether the image is originally generated or whether it contains structural forgery or content synthesis.

  Beyond detection, the intelligent detection system offers localization of tampered regions. Upon detecting an anomaly, the AI can autonomously infer the specific regions of the image that have been tampered with or forged, and identify potential synthesis sources. This is achieved through the multimodal LLM's combined understanding of visual patterns and language logic, demonstrating its capabilities in both modelling and inferring.

  Leveraging this core technology, we have secured championships in top-tier international and domestic AI competitions for two consecutive years. Additionally, we are a key contributor to the industry standard "Technical Requirements for Text Image Tampering Detection Systems", led by the CAICT. This effort signifies our leadership in technology and standard-setting within the fields of multimodal image forensics and document security.



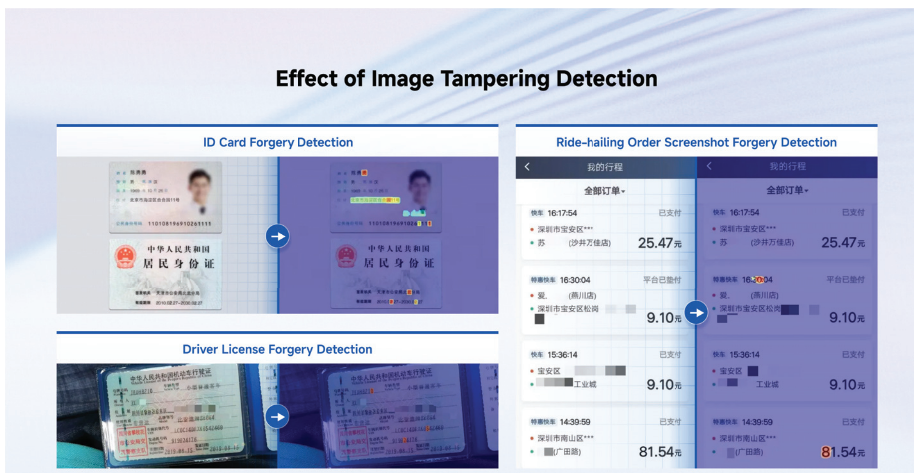


Image Source: TextIn Image Tampering Detection

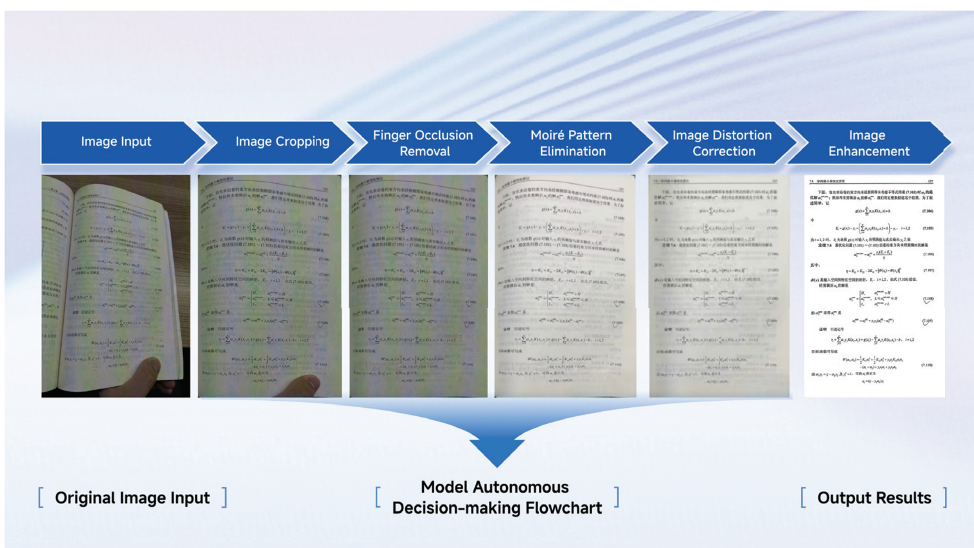
Autonomous Reasoning and Decision-Making

One of the key breakthroughs of the Phecda AGI platform is the development of autonomous reasoning and decision-making capabilities for AI systems. Leveraging the platform's multimodal LLM and AI agent technology, the products we have developed are able to automatically identify the type of problems, analyze contextual relationships, invoke appropriate tools as needed, and plan reasoning pathways based on the input and context provided. This enables the AI to autonomously complete objectives from end to end, providing users with a more intelligent user experience.

Our AI model's autonomous reasoning and decision-making capabilities are deeply embedded in our technologies, for instance:

- AI Chat in *CamScanner*: This technology leverages the synergistic integration of embeddings, semantic retrieval and context-aware reasoning to enable autonomous understanding and inference of implicit knowledge within unstructured text. Unlike traditional language models that passively generate responses, our LLM is equipped with decision-making capabilities that allow it to proactively trigger external tools to perform tasks when needed. When a user asks a question, the system automatically analyzes the semantic intent and retrieves relevant document segments to serve as the basis for reasoning. If, during the reasoning process, the model identifies knowledge gaps or determines that external actions are required, it can autonomously invoke a designated toolchain to supplement missing information or validate the logic. Based on the retrieved and inferred context, the model performs multi-step reasoning integrating both explicit data and latent knowledge to generate structured, coherent and contextually grounded answers.

- AI Magic Pro in *CamScanner*: This feature is powered by high-definition image technology based on a multimodal LLM, with a particular emphasis on the capabilities of autonomous image quality analysis and pathway optimization. The system applies integrated visual understanding and reasoning to perform causal modeling and feature-space analysis of image deficiencies. The core advantage of this technology lies in its dynamic reasoning capability. Rather than executing a static, pre-defined workflow, the AI analyzes the input image, identifies quality issues and determines the optimal enhancement path in real time. This showcases the next-generation AI's ability to autonomously perceive, interpret and make decisions in complex multimodal scenarios. The following graphic is an application illustration of the autonomous decision-making of LLM.



- AI Smart Erasure in *CamScanner*: This technology leverages the semantic understanding and visual generation capabilities of text intelligence technology empowered by multimodal LLM to power an image content removal and restoration system with autonomous identification, intelligent reasoning and dynamic reconstruction capabilities. Unlike traditional tools that rely solely on user-specified masks, this system actively analyzes semantic structures, scene logic and content to deliver high-quality, seamless visual erasure and completion. This function first performs multi-scale semantic parsing of the entire image using text intelligence technology empowered by multimodal LLM, identifying target objects and their semantic roles and spatial relationships within the scene.

- *DocFlow* within the *TextIn* suite: *DocFlow* is a document processing agent designed to handle complex business workflows in an end-to-end, autonomous manner. Powered by our text intelligence technology empowered by multimodal LLM, it enables document classification, structural parsing, semantic correlation analysis and dynamic workflow orchestration across diverse document types. Unlike conventional systems focused solely on document parsing, *DocFlow* goes further—advancing AI capabilities in semantic understanding, logical reasoning and decision-making.

Our Offerings

Leveraging deep user insights and years of accumulated expertise in advanced technologies, we have developed a comprehensive business portfolio tailored to the evolving needs of both individual users and enterprise customers. Our products have a global presence across key markets.

Our individual user product portfolio consists of mobile applications designed for a global user base, featuring two flagship AI efficiency products, *CamScanner* and *CamCard*, as well as *Qixinbao*, each serving millions of users worldwide with products that tackle real problems with real ease.

For enterprise customers, we have pursued a strategic expansion path that evolves from specific customer scenarios to standardized product offerings. We initially penetrated key verticals such as manufacturing, banking, insurance and retail with differentiated, scenario-driven products. As our perception of industry-specific needs deepened, we leveraged our advanced AI capabilities and a deep understanding of unique business demands, and transformed our customized know-how into scalable, standardized products, enabling the replication of successful products across similar scenarios. These products are designed to address a wide range of enterprise needs, including cost reduction, operational efficiency, risk management and intelligent marketing, precisely aligning with enterprise customers' specific operational contexts and business objectives. Ultimately, we empower our customers to achieve digital transformation and intelligent upgrades across their organizations.

The following diagram illustrates our flagship products:

Sector		Flagship Products
Individual User Products	扫描全能王	*CamScanner*: The world's largest AI product for image-based text processing
	名片全能王	*CamCard*: A leading global AI product for business networking
	启信宝	*Qixinbao*: A commercial data intelligence product

Sector		Flagship Products
Enterprise Products .	TextIn	*TextIn*: An enterprise-level AI product suite for intelligent text processing
	启信慧眼	*Qixin Insight*: An enterprise-level AI product suite for commercial data intelligence

Flagship Individual User Products

CamScanner

CamScanner is the world's largest AI product for image-based text processing in terms of MAU for March 2025, according to CIC. It provides an end-to-end digital document management solution, integrating document scanning, format conversion, intelligent editing and AI empowerment. Through its core functionalities, intelligent scanning, professional-grade image enhancement, AI-driven efficient editing, versatile sharing and secure cloud storing, *CamScanner* transforms smartphones and tablets into portable scanners, enabling users to capture physical documents, even in complex environments and convert them into high-quality PDFs or images with scanner-like clarity. *CamScanner*'s core strengths lie in state-of-the-art text perception and cognition technologies, supporting diverse scenarios, while offering cross-device synchronization and collaboration tools. As of March 31, 2025, *CamScanner* supported text recognition in 52 languages. All these innovative functionalities position *CamScanner* as a comprehensive personal and professional document management hub that continuously reshapes the user experience through technological innovation. *CamScanner* is available via various platforms, such as its app, WeChat Mini Program and web portal at www.camscanner.com.

We offer the following key innovative features that transform mobile devices and other smart hardware into a streamlined, intelligent and highly efficient solution for document digitization and management:

- *AI Magic Pro*: The AI Magic Pro offers a one-click solution to rectify over a dozen complex issues on image. This feature deeply integrates generative AI technology, performing intelligent processing based on three core dimensions: image perception, content cognition and decision-making optimization. Leveraging advanced AI algorithms, *CamScanner* autonomously analyzes diverse image degradation scenarios and then intelligently selects the optimal inference path within its LLM, ensuring significant quality enhancements across various types of image deterioration. With this functionality, *CamScanner* effectively tackles over ten common image defects, including poor lighting, color distortion, skewed angles, document deformation, text bleed-through and moiré patterns. As a result, *CamScanner* not only achieves high-fidelity restoration of scanned documents to their original quality but also delivers significant enhancements for documents with poor image quality, often resulting in clarity that surpasses the original.

- *AI Smart Erasure*: This feature leverages a five-step algorithmic approach, combined with dual-layer erasure network technology and advanced image restoration techniques, enabling *CamScanner* to support rapid recognition and automatic removal of handwritten text across various scenarios. For instance, users can scan a marked-up test paper using *CamScanner*, then erase handwritten notes with a single click to restore a blank test paper. In study contexts, tutors or students can capture images of incorrect answers and compile them into a personalized error logs or study guides.

- *AI Edge Detection*: This feature utilizes AI algorithms to automatically detect document edges. It then precisely crops away excess background and optimizes image quality, making it ideal for intelligently processing both scanned and photographed documents.

- *AI Sign*: This feature enables users to scan or import seals and signatures. Users can then conveniently add these recognized seals or signatures on their scanned documents. Furthermore, it allows users to apply cross-page seals with a single click.

- *AI Chat*: Leveraging innovative conversational interaction, this feature enables users to utilize natural language for intelligent guidance, content analysis and streamlined operations on images and documents. For example, users can query for key details of a document, request content analysis, or initiate actions such as translation or document export, significantly enhancing document processing efficiency and delivering a highly intelligent user experience.

- *AI PS Detection*: Powered by an industry-leading proprietary tampering detection system, *CamScanner* effectively identifies various types of images, such as certificates and receipts and automatically detects whether an image or document has been altered or tampered. This feature supports a wide range of identification documents, including ID cards, passports and driver's licenses, as well as diverse certificate and document formats, such as VAT invoices, standard invoices and retail receipts.

- *AI Translate*: This feature leverages AI capabilities to provide professional translation services for users. It supports the translation of files in various formats, including images and PDFs. Powered by our proprietary technologies, *CamScanner* delivers precise 1:1 restoration of the original layout, catering to user translation needs across diverse scenarios such as office, academic and business environments.

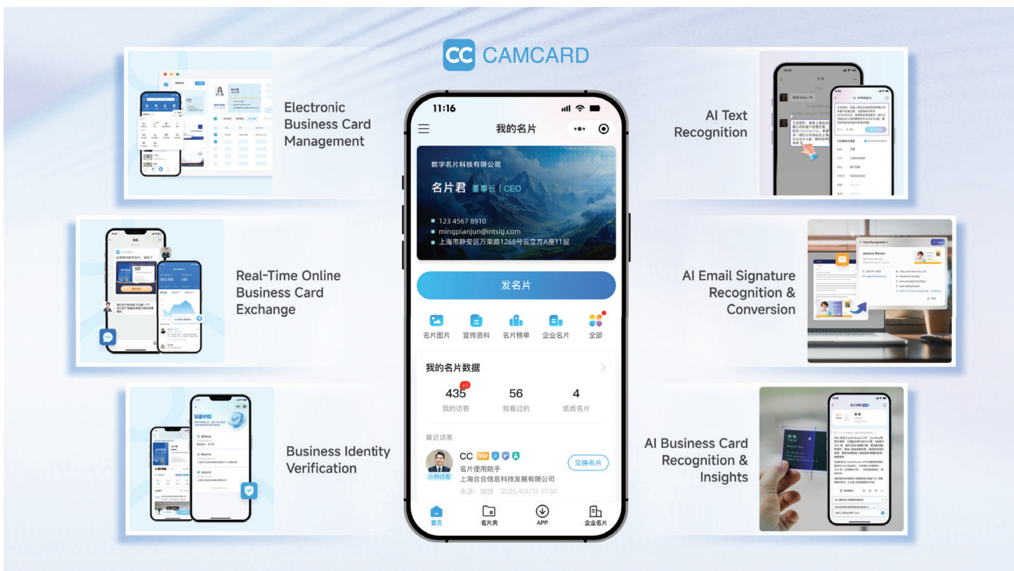
- *AI Format Convert*: This feature utilizes deep learning-based layout reconstruction technology and enables a one-click transformation from images to structured documents. With this functionality, *CamScanner* intelligently recognizes text, tables or even complex formatting within images and accurately converts it into editable Word, Excel and other document formats, delivering high-fidelity results that streamline editing and data processing for users.

- *AI Surface Flattening*: By employing intelligent edge detection and deep learning algorithms, this feature automatically identifies and corrects perspective and surface distortions in scanned documents. It effectively transforms images taken at an angle or from curved surfaces into perfectly flat, clear and professional-looking scans.

Building on the core technology of *CamScanner* and its foundational features, we have developed new products tailored to diverse scenarios and user needs, further expanding the boundaries and service capabilities of our advanced technology.

CamCard

CamCard is a leading global AI product for business networking that transforms physical business cards, captured even in complex environments, into structured, digital contact records, leveraging advanced image processing and text intelligence technology. With the one-tap saving functionality, it streamlines professional networking. It supports batch scanning of business cards and offers value-added features such as smart contact management, cross-device synchronization and multi-channel sharing via social platforms and messaging tools. As of March 31, 2025, *CamCard* supported business card recognition in 17 languages, making it a powerful solution for global networking and relationship management.



Key features of our *CamCard* app include:

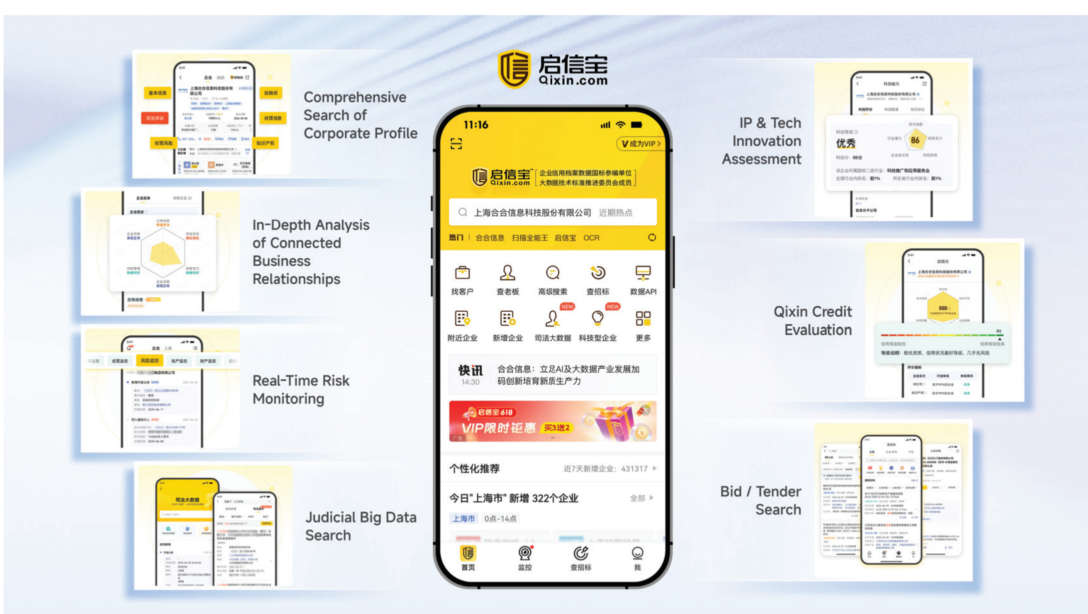
- *AI Text Recognition*: The system generates digital business cards based on the text information. When users receive text information in emails or greeting messages, they can copy such information and paste on *CamCard*. The system integrates image processing technology with advanced LLM to intelligently extract and organize such key information to generate structured digital business cards. Users can then save such information with one tap and synchronize the business card information with their phone's contact list, thereby conveniently storing and managing contact information to enhance efficiency in business communication.

- *AI Business Card Insights*: The system can also discern key contact information in business cards. Upon recognizing such information, the system generates relevant business information recommendations based on the card's content. Users will then receive intelligently curated insights, such as recent updates about the contact's company, industry background and potential collaboration opportunities. All information is presented in readily-usable formats, allowing users to add it as contact notes, forward it via email or conduct further in-depth research. This functionality transforms the *CamScanner* from a mere data entry tool into an intelligent business assistant.

- *Digital Business Card*: The Digital Business Card is an all-in-one feature built in *CamCard* that integrates text intelligence technology, real-time exchange capabilities and a robust business card management system. It revolutionizes traditional business cards by transforming them into dynamic marketing tools for enterprises, leveraging multimedia formats such as images, videos and articles to enhance brand visibility and engagement in professional networks. Employees can use these digital cards to effectively showcase their company's brand and services, capturing client attention during interactions. Simultaneously, this feature enables businesses to focus on sales team activities in real time, streamlining oversight of business visits and improving operational efficiency. This feature redefines professional networking by combining innovation, efficiency and security into a single, powerful tool.

Qixinbao

Qixinbao is a commercial data intelligence product that aggregates commercial enterprise data entries across more than 300 million companies and organizations in China. The platform offers access to over 1,000 structured data attributes, including business registration details, ownership structures, legal proceedings, credit violations, media sentiment and asset information. Leveraging advanced data mining and analytics technologies, *Qixinbao* delivers a wide range of intelligent data services such as enterprise relationship mapping, sentiment and semantic-based media tracking, risk alerts (e.g., operational anomalies, litigation records), intellectual property insights (trademark and patent data) and in-depth analytical reports including credit profiles, executive and investment disclosures and shareholder structure analysis. To accommodate diverse user preferences, *Qixinbao* is also available via WeChat Mini Program and feature-rich web portal at www.qixin.com.



Moreover, we have innovatively applied advanced AI technologies from our Merak platform to perform deep mining and semantic understanding of *Qixinbao*'s extensive database and developed comprehensive product features to address more complex scenarios. For example, we launched the Judicial Big Data Search feature to address user pain points such as inefficiencies in traditional information retrieval methods and limited risk assessment capabilities due to inadequate big data analytics and utilization. This feature leverages *Qixinbao*'s comprehensive enterprise data resources, allowing users to filter and search using multiple criteria, providing multi-dimensional screening options across various industry sectors to help professionals expand their client base and implement precision marketing strategies.

Moreover, this functionality enables professionals to follow various newly filed cases nationwide in real-time across more than ten judicial dimensions. The Judicial Big Data Query feature also supports filtered queries across multiple dimensions, including judgment debtors, equity freezes and bankruptcy reorganizations. Furthermore, it integrates with *Qixinbao*'s comprehensive enterprise advanced search, potential enterprise database, pre-IPO company database, corporate migration information, registered capital changes and tender bidding activities. We have also launched additional features that span across multiple industries.

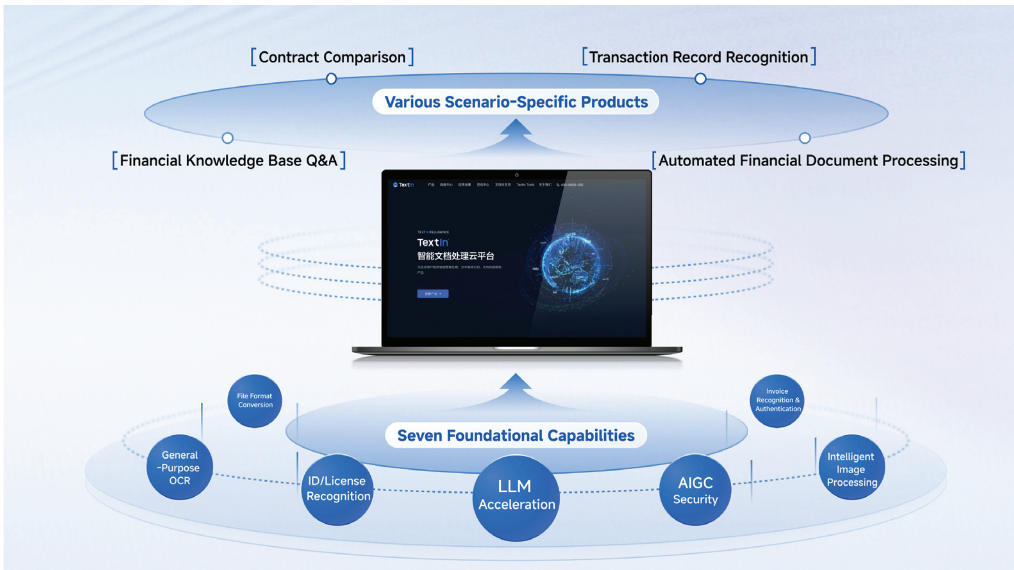
Capitalizing on the large user base accumulated through our product offerings, we further explored the commercialization approaches by providing online advertising services. Our individual user products serve as primary advertising delivery platforms, featuring placements such as splash screens and in-app display pages. Advertising fees are calculated based on a combination of factors, such as display duration, user traffic, placement position and usage metrics. With broad user reach and diverse usage scenarios, we offer advertisers a highly targeted and efficient advertising channel.

Flagship Enterprise Products

TextIn

TextIn is an enterprise-level AI product suite for intelligent text processing designed to serve enterprises and developers with scalable, high-performance text recognition capabilities. Backed by extensive experience in text intelligence technology and enterprise services, *TextIn* is compatible with multiple major cloud platforms and diverse hardware and software environments. *TextIn* achieves 99.7% accuracy in text recognition, significantly surpassing human-level performance. In general-purpose scenarios, *TextIn* can process one text image per second on average.

TextIn employs a standardized modular design and offers a diverse range of specialized tools tailored to various scenarios, enabling customers to select functional modules based on their specific needs. Our *TextIn* encompasses foundational capabilities including general text recognition, ID and certificate recognition, invoice and receipt recognition, intelligent image processing, document conversion, AIGC Security and LLM acceleration. The following picture details *TextIn*'s capabilities of AIGC Security and LLM acceleration:



- *AIGC Security: TextIn*'s AIGC Security utilizes cutting-edge deep learning technology to rapidly and accurately detect signs of tampering or forgery in images of ID cards, receipts, documents and general pictures.

- *LLM Acceleration*: *TextIn*'s LLM Acceleration capability is built upon three core products: general document parsing, text embedding models and intelligent information extraction. These tools are specifically designed to help AI companies accelerate the preparation and structuring of training data, including corpus cleaning and enrichment, for LLM development. Beyond data preparation, these capabilities can also support downstream tasks such as information retrieval and knowledge-based response generation during model inference.

TextIn offers a variety of featured tools for different scenarios:

- *Contract Comparison*: This feature leverages our advanced document parsing, text recognition and element comparison technologies to provide one-click comparison of multi-format documents. *TextIn* performs intelligent text recognition on original and revised contracts, automatically identifying differences and supports the output of comparison results such as additions, modifications and deletions via URL pages or API integration. Ultimately, customers can export an Excel report detailing the differences including comparison statistics and specifics. *TextIn* can complete the comparison of a hundred-page document in just one minute, while also supporting the creation of one-to-one and one-to-many document comparison tasks.

- *Financial Knowledge Base Q&A*: This feature enables users to retrieve key information from listed company announcements with a single click. Users can upload documents in formats such as Word, PDF or images, and input search queries. *TextIn* then automatically searches our financial knowledge base for relevant content and accurately pinpoints the original text in listed company announcements based on the search results, helping users quickly verify the accuracy and authenticity of the information.

- *Automated Financial Document Processing*: This feature supports recognition of over 50 languages and various document and invoice types. Users can upload documents such as receipts, invoices, purchase orders, contracts or other files, and *TextIn* automatically identifies the document type, extracts information from mixed documents and conducts intelligent categorization. The feature can be integrated into diverse workflows, such as internal enterprise OA approval processes or customs systems, and facilitates automated verification of document information, thereby enhancing financial documents processing efficiency.

- *Transaction Record Recognition*: This feature enables batch parsing and automated recognition of transaction records for enterprises or individuals. *TextIn*'s intelligent transaction record analysis system supports multiple formats of physical and electronic statements, covering templates from over 1,000 banks. The system accurately parses complex statement layouts, structuring transaction data. Through this feature, users can verify the completeness and authenticity of transaction records. *TextIn* also supports the identification of anomalous, suspicious and related-party transactions, providing visualized metrics to empower business decisions.

Additionally, tailored to specific customer requirements and application scenarios, we have introduced an AI-driven, enterprise-grade document automation product within the *TextIn* product suite — *DocFlow*. It offers robust AI-powered document pre-processing and intelligent validation capabilities, supporting intelligent capture, parsing, classification and information extraction across various document formats, thereby providing enterprises with efficient and accurate document processing solutions.

The following use cases demonstrate *DocFlow*'s powerful capabilities:

- Import and Export Logistics Scenario: *DocFlow* automates the extraction of key information from commercial invoices, bills of lading and customer documentation. By digitizing logistics and transportation documents, *DocFlow* streamlines the acquisition of shipping, freight, and cargo data, reducing the complexity of paperwork management and enhancing operational efficiency in back-office processes. Its high-precision data capture solutions help simplify reporting, improve operational workflows and support compliance efforts across international logistics operations.

- Supply Chain Scenario: *DocFlow* transforms unstructured data such as contracts, invoices, delivery notes, and corporate credentials into structured, machine-readable formats, significantly improving document processing speed and data accuracy. By integrating multi-dimensional data sources, the system automates verification processes and reduces the need for manual review. *DocFlow*'s intelligent auditing feature further enhances risk management by detecting hidden risks, thereby increasing the reliability and efficiency of business decisions.

- Cross-Border Payments and Settlements Scenario: *DocFlow* leverages advanced AI technologies to automatically classify and parse multilingual contracts, letters of credit and SWIFT messages, enabling near-instant digitization and processing of documents. In the compliance domain, *DocFlow* employs LLMs to identify key clauses and foreign exchange risk points, facilitating intelligent contract review. This not only meets compliance requirements but also reduces document processing time from days to just a few hours.

Qixin Insight

Qixin Insight is an enterprise-level AI product suite for intelligent decision-making based on commercial data. Leveraging our deep understanding of customer scenarios and proprietary technologies, we deliver standardized solutions for specific business applications, all built upon our proprietary enterprise data infrastructure. Designed to address diverse vertical industry scenarios, the platform leverages advanced technologies including big data analytics, large-scale relational graph computing, knowledge graph engineering and predictive modeling. These technologies enable the extraction of multidimensional data tags, precise enterprise profiles, dynamic risk indicators and actionable predictive models from comprehensive commercial datasets. Deployed across core business functions such as investment due diligence, risk management, compliance audits and customer acquisition, *Qixin Insight* empowers organizations to achieve 15-fold improvements in due diligence efficiency and automated risk detection. This transformative product significantly enhances strategic decision-making and operational performance across enterprise workflows.

Our database, knowledge graph and the solutions provided by *Qixin Insight* are powered by our in-house DIKI architecture. Under this DIKI architecture, we accumulate commercial data. Subsequently, we process this data through structured methodologies to create a comprehensive corporate information database. Building on this foundation, we develop a corporate knowledge graph that encompasses business entities and their relational networks. Ultimately, we leverage algorithmic models to construct digital intelligence solutions, delivering valuable business insights to enterprise customers.

Qixin Insight delivers the following AI-driven, data-powered capabilities to support precision marketing, risk prevention and strategic insight:

- *Intelligent Search & AI-Powered Sourcing*: The platform supports intelligent, multi-dimensional search capabilities that include batch queries, map-based lookup, and tag- or product-based filters, enabling efficient and precise retrieval of complex commercial information. Building upon the search engine, we have also introduced an AI Sourcing feature. Users can simply input natural language queries, and the system powered by LLM interprets user intent, auto-matches relevant labels or filters and generates a ranked list of qualified suppliers. This dramatically improves sourcing efficiency and enterprise marketing effectiveness.

- *Comprehensive Reports & AI-Powered Enterprise Profiling*: Users can generate and download in-depth analytical reports such as enterprise credit assessments and shareholder reports to support strategic decision-making and risk evaluation. Powered by *Qixin Insight*'s proprietary big data engine and AI algorithms, we launched the AI Enterprise Profiling feature which aggregates authoritative structured databases and publicly available web data to automatically generate a holistic, structured view of a company's operations and background.

- *Visualized Business Relationship Mapping*: The platform visualizes complex commercial relationships by analyzing data on equity participation, external investments, executive roles and cross-ownership. These insights are rendered as interactive, easy-to-navigate diagrams, helping enterprises better understand a company's organizational structure and connected entities.

- *AI Risk Detection & Early-Warning Alerts*: *Qixin Insight* enables real-time detection of target companies, allowing enterprises to track operational changes, legal risks and public sentiment. Risk levels and alert rules are fully configurable, enabling proactive risk management. With its AI-powered Risk Scanning feature, *Qixin Insight* can automatically identify key legal and compliance risks, extract critical incidents from large volumes of data, and generate actionable suggestions for enterprises seeking cooperation with the target company. This significantly enhances risk identification accuracy and efficiency.

- *Prospect Activity Detection:* The platform tracks key activities of potential customers including bid participation, new job postings, domain registrations, intellectual property filings, capital injections and headcount growth. This allows enterprises to proactively identify emerging opportunities and engage at the right time.

Through our *Qixin Insight* platform, we offer tailored products to three vertical scenarios, as outlined below:

- *Financial Institution Risk Control and Marketing*: This service is designed for the financial sector, including banks and commercial factoring firms, helping them to establish a digital financial service model, and addressing key challenges such as customer acquisition, due diligence, risk early warning and customer management.

- *Enterprise Business Partner Risk Control Application*: This service targets industries such as manufacturing, trade and distribution, and energy and chemicals, offering a digital partner management solution with autonomous risk control capabilities. It serves multiple departments including procurement, risk management, finance and compliance within medium and large enterprises.

- *Batch Customer Acquisition Application*: This service caters to enterprise service providers, such as law firms, accounting agencies and advertising agencies, as well as physical production or sales-oriented enterprises. Leveraging big data mining and tagged profiling models, it provides marketing and sales departments with precise lead generation, business opportunity subscriptions, prospect insights and operational management services.

Key Operating Metrics

The following table sets forth certain key operating metrics of our business operations.

	For the Year Ended December 31,			For the Trailing Twelve Months Ended March 31,	
	2022	2023	2024	2024	2025
Individual User Products					
MAU(1) (in million)	133.0	149.9	171.4	158.6	177.7
Paying User(2) (in million) . . .	5.3	6.1	7.4	6.2	7.9
Enterprise Products					
Number of Customers(3)	2,593	2,738	3,207	2,874	3,472

Notes:

(1) The total number of users who have recorded device activity within a calendar month (including actions such as app launches, visits, browsing, and clicks). This metric includes both mobile app and mini-program MAUs. The figures presented in the table represent MAUs for the final month of each reporting period and are calculated as the simple sum of MAUs across three individual products, *CamScanner*, *CamCard* and *Qixinbao*.

(2) User who completed at least one successful transaction during the reporting period, with each user counted only once per period regardless of transaction frequency. The figures presented reflect the number of paying users in each reporting period, calculated as the simple sum across *CamScanner*, *CamCard* and *Qixinbao*. This definition excludes users only participating in trials.

(3) The total number of customers who contributed to the revenue of our enterprise products during the reporting period.

RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new products and enhance existing products is critical for maintaining our market position. We are committed to pursuing the vision of AGI. To this end, our R&D efforts focus on exploring and developing frontier AI technologies, thereby strengthening our core technological capabilities. Building on these foundations, we have developed widely popular products that tackle real problems with real ease for both individual users and enterprise customers in various scenarios.

R&D Team

Our R&D team consists of dedicated talents with profound industry expertise, focusing on developing and commercializing our products which help maintain our technological advantages and market competitiveness. Each of our core R&D team members has extensive working experience in AI, LLM, software programming and data, in reputable domestic or overseas technology companies.

As of March 31, 2025, our R&D team consisted of 638 members, representing 60.6% of our total employees. As of March 31, 2025, 26.3% of our R&D specialists held a master's degree or above. We incurred research and development expenses of RMB279.9 million, RMB323.4 million, RMB390.5 million, RMB83.6 million and RMB104.9 million in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, representing 28.3%, 27.3%, 27.2%, 25.6% and 26.6% of our total revenue for the respective periods.

The salient terms of agreements with management and technical staff are set out below:

- *Ownership of intellectual properties*. We own all intellectual property and related rights to any inventions, works, or other creations developed by the employee during their employment. The employee may not claim any rights beyond authorship.

- *No conflict*. Employees shall not hold any part-time positions or engage in any secondary employment or activities that conflict with the interests of us.

- *Non-competition*. We have the right to unilaterally initiate a non-competition period of two years following the termination of employment. During the term of employment and the non-competition period initiated by us, employees shall not engage in any competitive behavior specified in the agreements.

- *Confidentiality*. During the term of employment and for all time thereafter, employees shall not, without our prior written consent, disclose, divulge, announce, publish, impart, transfer or otherwise make known to any third party, or in any way use any information belonging to us or belonging to any other party for which we have a duty of confidentiality.

Key Research Projects

Our current R&D initiatives are centered around building a cutting-edge AI technology platform powered by multimodal LLM. Through these key research initiatives, we aim to tackle core challenges such as effective data fusion and efficient learning across complex real-world scenarios. Our focus spans across diverse applications including text recognition, document parsing, image processing and document understanding, delivering standardized AI-powered products for various industries. Our key research projects include:

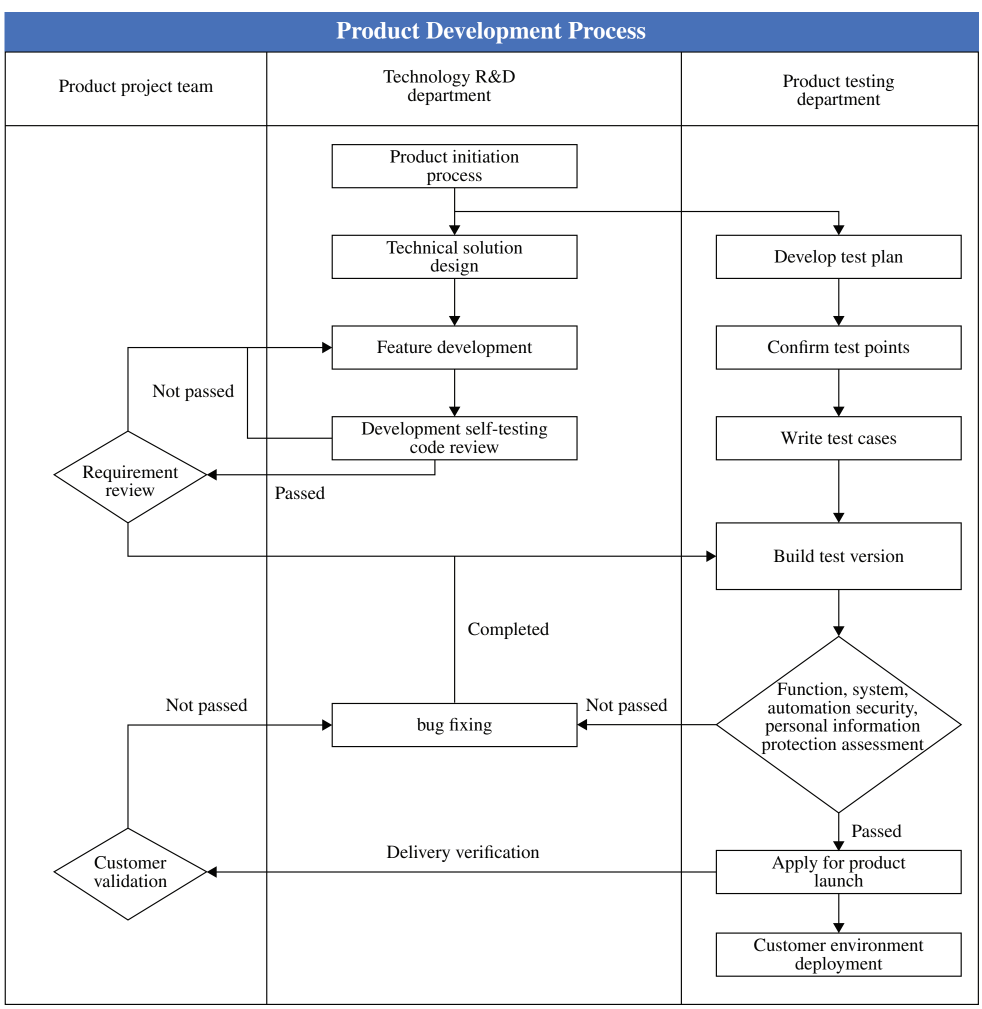
- *An AI Technology Platform Based on Large-Scale Multimodal Pre-trained Models*: This project focuses on building a next-generation AI technology platform, with its core leveraging Transformer architectures and large-scale multimodal pre-trained models, to develop cutting-edge text intelligence technology empowered by multimodal LLM. The platform aims to integrate visual and textual information processing capabilities to comprehensively support key product functions such as text recognition, document parsing, image processing and complex document understanding to meet the growing demands of complex, real-world scenarios. In terms of modal design, we focus on core technical challenges such as multimodal feature fusion, autonomous reasoning and cross-modal alignment. The project involves building a unified multimodal representation learning framework for the text domain. This framework will enable our model to learn cross-modal semantic relationships from vast, heterogeneous text data. It will also equip our model with capabilities for human-like reasoning and decision-making in uncertain environments. These advancements will enhance our platform's accuracy and versatility for advanced intelligent tasks. We develop this project with an aim to meet urgent demands in industries such as manufacturing, finance and healthcare by delivering standardized, modular AI services, thereby supporting their intelligent transformation.

- *Optimization of Intelligent Text Recognition Products*: This project is dedicated to enhancing and optimizing the existing capabilities of *CamScanner*. Building on its current features such as image capture, image editing, text recognition and PDF generation, the project will, over the next two years, focus on further leveraging breakthrough advancements in text intelligence technology empowered by multimodal LLM to improve core algorithms and intelligent image processing performance. For example, we introduced and upgraded several in-app AI-powered features, including AI Magic Pro, AI Smart Erasure and AI Chat. We aim to expand *CamScanner*'s service capacity and application scenarios. Building on our core technologies, the project also aims to diversify the product offerings for electronic document processing and deliver more comprehensive and versatile user experience.

- *Foundational Project for Standard Knowledge Graph Services*: This project aims to substantially enhance the data quality of our knowledge graph by leveraging an intelligent data processing technology built upon the synergistic iteration between high-quality data and multimodal text intelligence capabilities. Building on this foundation, it will further iterate the technical components and service capabilities of our knowledge graph systems for our products. Built upon a foundation of data mining and relational computing, it integrates text intelligence technology empowered by multimodal LLM to support continuous iteration of our products. Key priorities for this project include lightweight delivery and deployment of our products and the capacity to adapt to new business scenarios. Through these enhancements, we aim to improve user experience in standard products and efficiency in product delivery.

Product Development Process

Our product development process is divided into several key stages: product initiation and development, product testing, validation and acceptance and product launch and deployment. The diagram below illustrates our product development process:



- *Requirement Review*: We follow a consumer-oriented product development strategy that first identifies consumer requirements for AI products and then transforms cutting-edge AI technologies into products that meet these requirements. This approach ensures our products effectively address user pain points, thereby enjoying widespread market acceptance.

- *Product Initiation and Development*: The R&D team kicks off this phase by initiating the project and defining clear goals, timelines, key milestones and resource allocations. They then develop a detailed technical plan to guide the development work. Once the plan is in place, developers begin building features based on the design specifications. During development, they run unit tests to verify functionality and conduct peer code reviews to ensure quality, maintainability and alignment with best practices. The product team regularly reviews the implementation to confirm that all features meet business requirements and align with user expectations. If they identify any gaps or issues, the team adjusts accordingly. This phase plays a crucial role in turning product ideas into functional products and lays the groundwork for the rest of the development cycle.

- *Product Testing*: After completing development, the product testing team prepares a comprehensive test strategy and designs test cases that cover functionality, system behavior, performance, security and data privacy. They build a dedicated test environment using the pre-launch version and conduct thorough testing. When they find bugs or issues, they collaborate with the development team to fix them. After each fix, they run regression tests to ensure stability. The team repeats this process until the product meets all quality and launch standards. This phase ensures that the product is reliable, secure and ready for deployment, which is critical for delivering a consistent and high-quality user experience.

- *Product Validation and Acceptance*: With testing complete, the R&D team applies for product launch, and proceeds to product validation and acceptance. Internal teams begin by reviewing the product to confirm that it includes all required features, performs reliably and includes complete documentation. Next, they deliver the product to stakeholders or customers for external validation. If customers raise issues, the development team addresses them promptly. This phase acts as the final checkpoint before product launch, ensuring that the product has both internal alignment and external approval.

- *Product Launch and Deployment*: Once the product meets all acceptance criteria, the team initiates the product launch process. They submit launch requests, allocate resources for deployment and coordinate with operations and support teams to ensure a smooth launch. Development and product testing teams cooperate together to deploy the product to the production environment and verify product stability in real-time. After the launch, the product enters the maintenance phase, where the team monitors performance, provides support and delivers ongoing improvements. This final phase completes the development lifecycle and transitions the product into active use, setting the stage for future iterations.

INTELLECTUAL PROPERTY

Intellectual property rights are a critical component of our business strategy. Our long-term commercial success relies, in part, on our ability to secure and maintain patents, as well as other forms of intellectual property protections, for the key technologies, inventions and know-how that underpin our operations. It is also essential that we effectively defend and enforce our patent rights, safeguard the confidentiality of our trade secrets and ensure that our activities do not infringe, misappropriate or otherwise violate the valid and enforceable intellectual property rights of third parties.

As of March 31, 2025, we had 82 patent applications and 111 registered patents in China and 40 registered patents overseas. As of the same date, we also had 621 trademarks, 146 copyrights and 42 domain names in China and overseas. See "Appendix VI — Statutory and General Information — Further Information about our Business — Intellectual Property Rights."

In certain instances, we may rely on trade secrets and confidential information to protect our technologies. We generally seek to protect our proprietary technologies and processes by entering into agreements with confidentiality and intellectual property assignment clauses with consultants, advisors and third-party customers. We have also entered into confidentiality agreements and non-competition agreements with our senior management and certain key members of our R&D team and other employees who have access to trade secrets or confidential information about our business. Our standard employment agreements with our employees include assignment provisions, under which we retain all ownership and rights of any inventions, technologies, know-how and trade secrets developed by employees in the course of their work. See "Risk Factors — Risks Relating to Our Industry and Business — Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent disclosure of our know-how, trade secrets and other proprietary information" and "Risk Factors — Risks Relating to Our Industry and Business — Unauthorized use of our technologies, trade secrets and intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material intellectual property infringement claims by third parties or suffered any material intellectual property infringement by third parties. See "Risk Factors — Risks Relating to Our Industry and Business — We may be subject to third-party intellectual property infringement claims or other allegations, which may materially and adversely affect our business, results of operations, financial condition and prospects."

SALES AND MARKETING

We are committed to long-termism, consistently placing great emphasis on the enduring value of brand building. By leveraging cutting-edge marketing strategies within the industry, we drive sustainable growth for both our individual user and enterprise businesses, while establishing our brand reputation and industry influence in AI. As of March 31, 2025, our sales and marketing team was composed of 263 professionals with extensive industry insights. This team covers key commercial hubs in mainland China, including Beijing, Shanghai, Shenzhen, Guangzhou, Chengdu and Suzhou, establishing a nationwide service network.

At the group level, we have forged deep partnerships with a wide range of media outlets and industry associations, including national and regional press, industry or technology media, industry associations and developer technology forums. Our efforts have been recognized in multiple interviews and reports by prominent outlets such as Xinhua News Agency, People's Daily, China Central Television, New York Times, Time Magazine, Washington Post and BBC. Through effective public relations strategies, we transform complex technical expertise into brand assets that resonate with the public, injecting strong momentum into both brand communication and business conversion. Additionally, through exploratory projects that integrate technology with traditional culture such as Oracle Bone Script (甲骨文), Bronze Inscriptions (鍾鼎文) and Dunhuang Manuscripts (敦煌古籍), we enhance our corporate social responsibility image. These initiatives collectively and continuously elevate our brand influence across technical communities, the general public and media partners.

Marketing Strategies

Marketing Strategies for Individual User Products

Leveraging the large user base accumulated through our individual user products, especially our three core individual user products which collectively boast over 170 million MAUs globally, we continue to refine our brand positioning, shaping a core product value proposition centered on enhancing document and information processing efficiency. Our products, powered by leading technologies such as text and image recognition, AI parsing and document reconstruction, have established a technological advantage in the industry, thereby earning spontaneous user recommendations and sustained growth. We have successfully built product brands with high global recognition and influence, such as *CamScanner* and *CamCard*, and continue to solidify our industry-leading position through clear brand strategies and efficient marketing execution.

Precise positioning is at the core of marketing to individual users. Over the past few years, *CamScanner*'s brand positioning has been continuously strengthened, refined and reinforced in alignment with market changes and business development directions. This evolution has progressed from establishing category awareness with "choose *CamScanner* for scanning (掃描認准掃描全能王)" to expanding scenario-based user education with "scan first, then do everything (先掃描後全能)," and further to reinforcing a professional image with "specialized in scanning, delivering professional results (專業做掃描,掃得更專業)." This dynamic approach has amplified our brand recognition, positioning ourselves as a new engine for business growth. Tailored to serving diverse user bases including students, professionals and small business owners, we meet their document processing needs across various application scenarios through diversified functional designs, thereby forming a loyal user base of diverse demographics.

CamScanner has established a comprehensive branding strategy that combines brand awareness with scenario-based user education, complemented by marketing campaigns embedded in day-to-day communications, driving continuous growth of brand equity through phased and systematic approaches.

In addition, we actively embrace ESG-driven initiatives including cultural preservation programs, green office campaigns and nationwide reading promotion efforts to strengthen our brand's social responsibility image. These initiatives foster emotional connections and shared value with users, helping us build long-term trust and brand loyalty.

Marketing Strategies for Enterprise Products

In the enterprise products segment, our specialized marketing strategy targets the acquisition of high-value enterprise customers, centered on the rapid expansion from customer scenario insights to scalable, standardized product solutions. Our sales team members average over five years of experience in vertical industry services. By leveraging big data-driven customer profiling, we perform multi-dimensional market segmentation based on factors such as geographical distribution, enterprise scale and business scenarios. Working in close collaboration with professional pre-sales consultants, we precisely identify customer pain points and anticipate their emerging needs.

Leveraging our deep understanding of genuine customer business scenarios and industry know-how, we continuously refine our offerings, distilling complex, diverse requirements into standardized product offerings. This not only enhances our enterprise products' standardization capabilities but also enables large-scale replication. We achieve deep penetration into various vertical markets by providing differentiated solutions, adapting our products' functionalities and service models to precisely align with the unique business processes and pain points of various industries, such as finance, logistics, manufacturing and retail, thereby capturing market share.

In terms of customer acquisition, digital marketing and exhibition marketing serve as key channels for enterprise customer acquisition. We continuously optimize our search engine marketing, partner marketing and participation in industry conferences, which include hosting events, product launches, technology demonstrations and benchmark case studies. These efforts precisely capture traffic, driving business growth while expanding market reach and deepening our brand influence. Content marketing is becoming increasingly vital for building our brand image, as it enhances industry awareness and customer recognition of our enterprise products through initiatives such as industry whitepapers and collaborations with vertical media.

Pricing

We determine the price of our products based on a number of factors. For individual user products, we establish standard pricing by benchmarking against similar offerings in the market. This process takes into account various factors such as the product's market positioning, core functionality and the purchasing behaviors of our target users. In addition to this standardized approach, we also implement differentiated pricing strategies across international markets as part of our global penetration strategy. These tailored strategies are designed to align with regional economic conditions, competitive landscapes and user preferences, thereby supporting our broader objectives for global expansion.

Generally, the pricing model for our enterprise products is determined through a comprehensive evaluation of customers' requirements, including the specific types of products or services involved, the intended application scenarios and the level of technical complexity associated with implementation.

Distributors

We engage independent third-party distributors in our business operation, which is consistent with the industry practice, according to CIC. The number of distributors was 43, 52, 69 and 59 in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively. The revenue from our distributors only accounted for 1.2%, 1.1%, 1.1% and 0.9% of our total revenue in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively. We believe our distributors help us effectively execute our marketing strategies and grasp business opportunities.

We select our distributors based on their business qualifications and distribution capabilities, such as distribution network coverage, quality, number of personnel, cash flow conditions, creditworthiness, compliance standard and past performance, as well as their capacities in customer management. We also regularly review the independence and the performance of our distributors to evaluate their eligibility.

CUSTOMERS

During the Track Record Period, we derived revenue primarily from individual users across the world. We also serve a range of enterprise customers. We sell our enterprise products to customers across nearly 30 sectors such as manufacturing, banking, insurance, retail and technology, among others. Revenue from our five largest customers during the Track Record Period was RMB74.6 million, RMB86.0 million, RMB114.5 million and RMB30.0 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, accounting for 7.5%, 7.3%, 8.0% and 7.6% of our total revenue for the same periods. Revenue from our largest customer during the Track Record Period was RMB40.0 million, RMB56.1 million, RMB63.8 million and RMB17.1 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, accounting for 4.0%, 4.7%, 4.4% and 4.3% of our total revenue for the same periods.

The tables below set forth the information of our top five customers in each period during the Track Record Period:

Year Ended December 31, 2022

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer A	A leading technology company offering a mobile app store, mobile payment services, etc.	Online advertising services	40,031	4.0%	2015	Payment by installments	Wire Transfer
Customer B	A leading e-commerce company offering retail, logistics, and technology services	Online advertising services	15,191	1.5%	2021	Payment by installments	Wire Transfer
Customer C	A Chinese leading internet technology company offering a newsfeed app and a digital marketing platform	Online advertising services	11,053	1.1%	2020	Payment by installments	Wire Transfer
Customer D	A technology company offering office softwares	Enterprise AI products	4,302	0.4%	2014	Payment by installments	Wire Transfer
Customer E	A leading healthcare company offering medical devices, pharmaceuticals, and consumer health products	Enterprise AI products	3,997	0.4%	2021	Payment by installments	Wire Transfer
Total			**74,574**	**7.5%**			

Year Ended December 31, 2023

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer A . . .	A leading technology company offering a mobile app store, mobile payment services, etc.	Online advertising services	56,139	4.7%	2015	Payment by installments	Wire Transfer
Customer C . . .	A Chinese leading internet technology company offering a newsfeed app and a digital marketing platform	Online advertising services	11,811	1.0%	2020	Payment by installments	Wire Transfer
Customer F . . .	A technology company offering marketing services	Online advertising services	9,707	0.8%	2020	Payment by installments	Wire Transfer
Customer D . . .	A technology company offering office softwares	Enterprise AI products	4,363	0.4%	2014	Payment by installments	Wire Transfer
Customer G . . .	A commercial bank offering financial services to individuals and enterprises	Enterprise AI products	4,003	0.3%	2019	Payment by installments	Wire Transfer
Total			**86,023**	**7.3%**			

Year Ended December 31, 2024

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer A . . .	A leading technology company offering a mobile app store, mobile payment services, etc.	Online advertising services	63,816	4.4%	2015	Payment by installments	Wire Transfer

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer H . . .	A Singaporean technology company offering a digital marketing platform for overseas app developers	Online advertising services	18,884	1.3%	2022	Payment by installments	Wire Transfer
Customer C . . .	A Chinese leading internet technology company offering a newsfeed app and a digital marketing platform	Online advertising services	12,918	0.9%	2020	Payment by installments	Wire Transfer
Customer F . . .	A technology company offering marketing services	Online advertising services	12,866	0.9%	2020	Payment by installments	Wire Transfer
Customer I . . .	A leading technology company offering social media and digital advertising services	Online advertising services	6,023	0.4%	2017	Payment by installments	Wire Transfer
Total			**114,507**	**8.0%**			

Three Months Ended March 31, 2025

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer A . . .	A leading technology company offering a mobile app store, mobile payment services, etc.	Online advertising services	17,104	4.3%	2015	Payment by installments	Wire Transfer

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Customer H . . .	A Singaporean technology company offering a digital marketing platform for overseas app developers	Online advertising services	6,263	1.6%	2022	Payment by installments	Wire Transfer
Customer F . . .	A technology company offering marketing services	Online advertising services	2,303	0.6%	2020	Payment by installments	Wire Transfer
Customer I . . .	A leading technology company offering social media and digital advertising services	Online advertising services	2,259	0.6%	2017	Payment by installments	Wire Transfer
Customer C . . .	A Chinese leading internet technology company offering a newsfeed app and a digital marketing platform	Online advertising services	2,063	0.5%	2020	Payment by installments	Wire Transfer
Total			**29,992**	**7.6%**			

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each period during the Track Record Period.

Salient Terms of Agreements with Customers

The salient terms of our standard agreements for our enterprise products and online advertising services during the Track Record Period are set out below:

Enterprise Products

- *Services and Payment*. We offer services to both trial and paid customers, with differentiated access levels and service tiers based on their subscription status. We provide both one-off service or continuous services during a specified period depending on the service nature and the contractual terms with customers. We charge customers either a one-off service fee or in installments, depending on the type of services provided.

- *Use of Data*. Customers are prohibited from making malicious requests, conducting unauthorized data scraping, or using data obtained through our services in any manner that violates applicable laws and regulations. In addition, uploading any unlawful content to our platform is strictly forbidden.

- *Customers Eligibility*. We reserve the right to revoke access at our sole discretion if a customer fails to meet the eligibility criteria outlined in the agreement.

- *Termination.* At our sole discretion and without prior notice, we reserve the right to restrict, freeze or terminate a customer's account, or suspend or discontinue any portion or all of the services provided under this agreement, if we determine that the customer's activities may pose risks to national security, public safety, societal interests or the legitimate rights and interests of us or any third party.

- *Confidentiality.* Both parties are required to maintain the confidentiality of any non-public information under this agreement, unless disclosure is mandated by law or authorized with prior written consent.

Online Advertising Services

- *Services.* We provide online advertising services on our individual user products.

- *Term.* We generally enter into online advertising services agreements for a term of one year.

- *Content Monitoring.* We reserve the right to review, monitor and request to modify content intended for promotion on our platform if such content is deemed inappropriate or violates applicable laws and regulations.

- *Customer's Obligation.* Our customers are obligated to ensure that the content to be promoted on our products do not violate any laws and regulations, or infringe other third parties' rights.

- *Confidentiality*. Both parties are obligated to maintain the confidentiality of any non-public information under the agreement, except where disclosure is required by law or authorized by prior written consent.

- *Termination.* Typically, either party may terminate the agreement in the event of a material violation of laws and regulations or a material breach by the other party.

During the Track Record Period, we did not experience any material breach of agreements with our customers.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain of our customers (the "Relevant Customer(s)") settled their payments through third-party payors (the "Third-Party Payor(s)") with us (the "Third-Party Payment Arrangement(s)"). The number of Relevant Customers was one, one, three and one in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, and the number of Third-Party Payors was one, one, three and one for the same periods. In 2022, 2023, 2024 and the three months ended March 31, 2025, the aggregate amount of third-party payments was RMB40,000, RMB40,000, RMB89,720 and RMB17,000, respectively, accounting for approximately 0.004%, 0.003%, 0.006% and 0.004% of the total revenue for the relevant periods. No individual Relevant Customer made a material contribution to our revenue through Third-Party Payment Arrangement during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, other than accepting payments under the Third-Party Payment Arrangements, we had not proactively initiated any Third-Party Payment Arrangements, nor had we participated in any other forms of such arrangements. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not provided any discounts, commission, rebates or other benefits for any of the Relevant Customers or the Third-Party Payors to facilitate or encourage the Third-Party Payment Arrangements.

Reasons for Utilizing Third-Party Payment Arrangements

During the Track Record Period, the Relevant Customers primarily comprised customers who purchased our enterprise products. The Third-Party Payors primarily comprised business partners of the Relevant Customers. According to CIC, it is a relatively common practice in the industry in which we operate for these entities to settle payments to their service providers through Third-Party Payors. Our Relevant Customers settled their payments with us through Third-Party Payors due to their own funding arrangements and for payment convenience, which is commercially justifiable.

Mitigation Measures and Enhanced Internal Control Measures

To safeguard us against risks associated with Third-Party Payment Arrangements, we have implemented a series of mitigation measures and enhanced internal control measures, including: (i) we have further enhanced our Know-Your-Customer procedures to comprehensively understand relevant customers, effectively prevent fraud or money laundering activities and ensure the accuracy and integrity of our accounting books and records; (ii) we have refined the standard contractual terms of our sales agreements, explicitly stipulating the payment responsibilities of contracting customers; and (iii) we have informed all our employees about our strengthened internal control measures, requiring them to reject or return any payments made by Third-Party Payors that do not comply with the aforementioned procedures.

Cessation of Third-Party Payment Arrangements

We had ceased all Third-Party Payment Arrangements in June 2025 and we will not enter into similar third-party payment arrangements in the future.

Considering that our revenue generated from Third-Party Payment Arrangements as a percentage of our total revenue was immaterial, our Directors confirm that the cessation of the Third-Party Payment Arrangements would not have any material adverse impact on our business, financial conditions or results of operations.

SUPPLIERS

Our suppliers primarily comprise marketing and advertising service providers, as well as cloud service providers. Purchases from our five largest suppliers during the Track Record Period were RMB142.0 million, RMB142.4 million, RMB277.5 million and RMB52.4 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, representing 41.3%, 30.5%, 41.5% and 38.5% of our total purchases for the same periods. Purchases from our largest supplier during the Track Record Period were RMB35.8 million, RMB34.8 million, RMB99.0 million and RMB14.8 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, representing 10.4%, 7.5%, 14.8% and 10.9% of our total purchases for the same periods.

The tables below set forth the basic information of our Group's top five suppliers in each period during the Track Record Period:

Year Ended December 31, 2022

Suppliers	Background	Products/services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Supplier A . . .	A technology company offering App Store marketing and comprehensive data analytics services	Market promotion service	35,793	10.4%	2017	Payment by installments	Wire Transfer
Supplier B . . .	A leading technology group offering smartphones, mobile applications and etc.	Market promotion service	34,058	9.9%	2017	Prepayment	Wire Transfer
Supplier C . . .	A leading information infrastructure platform service company offering integrated edge cloud services	Cloud services	28,781	8.4%	2016	Payment by installments	Wire Transfer
Supplier D . . .	A technology company offering cloud computing services	Cloud services	25,064	7.3%	2018	Payment by installments	Wire Transfer
Supplier E. . . .	A leading technology company offering a comprehensive suite of cloud computing services	Cloud services	18,296	5.3%	2017	Payment by installments	Wire Transfer
Total.......			**141,992**	**41.3%**			

Year Ended December 31, 2023

Suppliers	Background	Products/services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Supplier C . . .	A leading information infrastructure platform service company offering integrated edge cloud services	Cloud services	34,766	7.5%	2016	Payment by installments	Wire Transfer
Supplier A . . .	A technology company offering App Store marketing and comprehensive data analytics services	Market promotion service	31,877	6.8%	2017	Payment by installments	Wire Transfer
Supplier D . . .	A technology company offering cloud computing services	Cloud services	29,439	6.3%	2018	Payment by installments	Wire Transfer
Supplier B . . .	A leading technology group offering smartphones, mobile applications and etc.	Market promotion service	27,695	5.9%	2017	Prepayment	Wire Transfer
Supplier F. . . .	A leading technology company offering cloud computing, big data, and AI services	Cloud services, market promotion and SMS login service	18,615	4.0%	2021	Payment by installments	Wire Transfer
Total			**142,392**	**30.5%**			

Year Ended December 31, 2024

Suppliers	Background	Products/services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Supplier G	A technology company offering IT services, system integration, and cloud solutions	Servers	99,020	14.8%	2023	Payment by installments	Wire Transfer
Supplier C	A leading information infrastructure platform service company offering integrated edge cloud services	Cloud services	51,262	7.7%	2016	Payment by installments	Wire Transfer
Supplier B	A leading technology group offering smartphones, mobile applications and etc.	Market promotion service	45,688	6.8%	2017	Prepayment	Wire Transfer
Supplier H	A technology company offering integrated solutions for intelligent marketing, advertising technology, and digital infrastructure	Market promotion service	41,647	6.2%	2023	Payment by installments	Wire Transfer
Supplier D	A technology company offering cloud computing services	Cloud services	39,899	6.0%	2018	Payment by installments	Wire Transfer
Total			**277,516**	**41.5%**			

Three Months Ended March 31, 2025

Suppliers	Background	Products/services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Settlement terms	Payment method
			(RMB'000)				
Supplier C	A leading information infrastructure platform service company offering integrated edge cloud services	Cloud services	14,835	10.9%	2016	Payment by installments	Wire Transfer
Supplier B	A leading technology group offering smartphones, mobile applications and etc.	Market promotion service	11,139	8.2%	2017	Prepayment	Wire Transfer
Supplier D	A technology company offering cloud computing services	Cloud services	10,335	7.6%	2018	Payment by installments	Wire Transfer
Supplier I	A digital marketing company offering intelligent advertising solutions powered by big data and AI technologies	Market promotion service	9,857	7.2%	2024	Payment by installments	Wire Transfer
Supplier J	A digital advertising company offering global mobile marketing solutions	Market promotion service	6,200	4.6%	2021	Payment by installments	Wire Transfer
Total			**52,366**	**38.5%**			

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of the Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each period during the Track Record Period.

Selection and Engagement of Suppliers

When selecting suppliers, we take into account a number of factors, including the suppliers' background, technical capabilities, quality, cost, production capacity and delivery efficiency. We have implemented a comprehensive supplier management system that defines the admission of suppliers, management of qualified suppliers and termination of unqualified suppliers to ensure the effectiveness and efficiency of our supplier management.

To enhance procurement governance, we have implemented a centralized procurement approval process. All procurement activities are reviewed and approved through our internal approval platform. Business units initiate purchase requests and confirm demand, the procurement team handles supplier inquiries and contract negotiations and the finance department completes payment after delivery and acceptance.

We have also adopted internal policies such as the Procurement Management Policy and Supplier Onboarding Policy, which set clear standards for supplier engagement. These policies include measures to ensure supply stability, such as continuously raising admission standards and conducting regular assessments of supplier qualifications. Furthermore, suppliers are required to sign a Supplier Integrity Agreement to ensure transparency, traceability and compliance throughout the procurement process, while minimizing risks related to fraud, misconduct or material errors. We have also implemented the Data Procurement Management Guidelines to standardize data-related procurement and ensure procurement quality and compliance.

During the Track Record Period and up to the Latest Practicable Date, we did not experience quality and shortage issues with our suppliers that materially affected our operations.

Salient Terms of Agreements with Suppliers

We typically enter into supply or service agreements with suppliers, the salient terms of which are set out below:

- ***Specification of Deliverables***. We provide detailed technical or service specifications and requirements for the service providers.

- ***Term.*** We generally enter into an agreement with a term of one year.

- ***Payment and Delivery***. In general, we are responsible for making payments for services in installments. In certain agreements, we are obligated to make payments based on an agreed payment schedule.

- ***Confidentiality***. Both parties are obligated to maintain the confidentiality of any non-public information under the agreement, except where disclosure is required by law or authorized by prior written consent.

- ***Intellectual Property Rights***. Generally, we own the intellectual property right of any proprietary information developed during the course of the agreements.

- ***Termination***. Typically, either party may terminate the agreement in the event of a material violation of laws and regulations or a material breach by the other party.

During the Track Record Period, we did not experience any material breach of agreements with our suppliers.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Supplier B, Supplier F, Supplier E and Supplier D, four companies among our five largest suppliers during the Track Record Period, were also our customers during the Track Record Period. These suppliers in aggregate contributed to 24.2%, 19.4%, 15.8% and 20.9% of our purchase amounts in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, and 0.5%, 0.3%, 0.3% and 0.4% of our total revenue in the same periods. We procured cloud services, market promotion and SMS login services from these suppliers during the Track Record Period. As separate and independent matters, we also sold our enterprise products and online advertising service to these suppliers during the Track Record Period.

Customer C, one of our five largest customers during the Track Record Period, was also a supplier of the Company during the Track Record Period. Customer C contributed to 1.1%, 1.0%, 0.9% and 0.5% of our total revenue in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, and nil, 0.2%, 0.4% and 0.05% of our total purchase amount in the same periods. We sold our online advertising service to this customer during the Track Record Period. As a separate and independent matter, we also purchased market promotion service from this customer during the Track Record Period.

Negotiations of the terms of sales to the companies mentioned above and purchases from them were conducted separately, and the sales and purchases were neither connected nor conditional upon each other. Our Directors are of the view that such arrangements are mutually beneficial, given that we negotiated with such company on an arm's-length basis. In addition, the terms of transactions with the company mentioned above are in line with market practice and similar to those with our other customers and suppliers. Saved as disclosed, to the best of our knowledge, none of our major customers during each period of the Track Record Period was a supplier of ours and vice versa.

COMPETITION

We primarily compete with other companies that focus on developing and commercializing AI technologies. Built upon our leading proprietary AI R&D capabilities and proven product deployment expertise, our three individual user products have achieved a global user base of hundreds of millions across over 200 countries and regions, demonstrating both strong brand awareness and superior user experience. Our flagship product *CamScanner* topped the download rankings for free efficiency apps in 84 countries and regions on the Apple App Store at various times since 2013, while *CamCard* topped the download list for free business apps in 41 countries and regions on the Apple App Store at various times since 2013, according to CIC. With a growing global MAU exceeding 100 million, we are one of the few AI-native companies with significant user bases in both China and the world, holding substantial user recognition in the efficiency AI products category.

The global individual user efficiency AI products market comprises a large number of players and product types. An MAU base of over 100 million is generally considered the threshold for identifying a "super app" with strong user scale, market presence and monetization potential. We ranked fifth globally among individual user efficiency AI products companies with over 100 million MAUs, in terms of relevant revenue in 2024, and was the largest Chinese company therein.

However, the industry in which we operate is highly competitive. Some of our existing or potential competitors may have longer operating histories, broader customer networks, more established brand recognition and greater financial and research resources than we do. See "Risk Factors — Risks Relating to Our Industry and Business — We operate in a highly competitive industry. If we fail to compete effectively, we may not be able to maintain or may lose market share, users and customers."

EMPLOYEES

We believe that our professional workforce is the driving force of our long-term growth. As of March 31, 2025, we had 1,053 full-time employees. The following table sets forth the number of our employees by function as of March 31, 2025:

Employee Function	Number of employees	% of Total
R&D	638	60.6%
Technical	70	6.6%
Sales and Marketing	263	25.0%
Management	82	7.8%
Total	**1,053**	**100.0%**

Our success is fundamentally driven by our ability to attract, retain and motivate highly qualified professionals. We consider our talented workforce to be one of our key competitive advantages. To maintain this strength, we uphold rigorous recruitment standards and procedures to ensure the quality of new hires. Our recruitment strategies are diversified and include campus hiring, online recruitment platforms and internal referrals to meet our varying talent needs.

As required under applicable PRC laws and regulations, we participate in a comprehensive range of government-mandated social security programs administered at the municipal and provincial levels. These programs include housing, pension, medical, work-related injury, maternity and unemployment benefit plans. We also enter into employment agreements with our executives, managers and staff, which typically include provisions addressing confidentiality, intellectual property rights and non-competition obligations. Additionally, we enter into intellectual property assignment agreements with our executives, managers and employees, under which we retain all rights, title and interest in any inventions or patents developed during the term of their employment.

Upon onboarding, employees receive an employee handbook that outlines our policies and their rights across key areas such as recruitment, compliance, compensation, benefits, performance evaluation and professional development.

We place a strong emphasis on employee development and have established a comprehensive talent development framework. Our training programs are structured at the company, departmental and functional levels. New hires are required to undergo relevant induction training prior to beginning their roles. We also provide a variety of specialized training programs designed to enhance employees' professional capabilities. Furthermore, we have developed an extensive suite of internal and targeted professional courses to support the implementation of our talent development strategy, nurture high-potential employees and strengthen leadership and management competencies.

We offer competitive compensation and benefits to our employees. Remuneration is determined based on role responsibilities, individual performance evaluations and market standards. Our performance appraisal system takes into account multiple dimensions, including business growth and risk management. In addition, we provide a range of employee benefits, such as annual health check-ups and paid vacation leave. We believe that our compensation and benefits framework effectively fosters employee engagement, innovation and motivation, thereby contributing to the achievement of our broader business objectives.

As of the Latest Practicable Date, we had not established any labor union. We have maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We consider our insurance coverage to be adequate as we maintain all the mandatory insurance policies required by PRC laws and regulations and, according to CIC, in accordance with the commercial practices in our industry. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which is not mandatory under PRC laws. We do not maintain any keyman insurance. During the Track Record Period, we did not make any material insurance claims in relation to our business. See "Risk Factors — Risks Relating to Our Industry and Business — We may not have sufficient insurance coverage to cover our potential liability or losses."

DATA SECURITY AND PRIVACY

We attach the greatest importance to data security and protection. Our data primarily include user and customer data and public commercial data. We have formulated a Data Security Management System and adopted our standard protective measures including firewalls, data encryption, access control and security audits to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data. In 2025, we were honored as a Technical Support Unit for the Document Integrity Protection Initiative ("護證計劃"支撐單位) by the China Academy of Information and Communications Technology.

We may collect necessary user or customer information when our users or customers register on our products or enter into a cooperative arrangement with us. We store the data collected and generated in the course of business operations in mainland China without involving cross-border data transmission.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material claim from any third party against us on the ground of infringement of any third party's right to data and privacy protection as provided by any applicable laws and regulations in the PRC or other jurisdictions. According to our PRC Data Compliance Advisor, during the Track Record Period, we had complied with the applicable laws and regulations in effect in material respects, based on: (i) we have not received any complaint relating to data privacy or security measures which would have a material adverse impact on our business operations; (ii) we have implemented internal policies on protecting data privacy and security, with the purpose of ensuring data and information security and ensuring compliance with all applicable laws and regulations; (iii) during the Track Record Period, there had been no material incident of data or personal information leakage; (iv) during the Track Record Period, there had been no material fine, administrative penalty or other sanctions relating to the violation of relevant network security, data security and personal information protection laws or regulations, to our best knowledge, pending or threatened against us initiated by competent government authorities or third parties; and (v) we will continue to pay close attention to the regulatory developments in data security and comply with the latest regulatory requirements. As of the Latest Practicable Date, our business operations had not involved ethically sensitive areas in technology, and we had implemented comprehensive internal policies to ensure compliance with all applicable ethical requirements and guidelines in the AI industry in the PRC.

INFORMATION TECHNOLOGY SYSTEMS

Information technology is essential to maintaining our competitiveness and ensuring the efficient operation of our business. We deploy and manage IT systems that are aligned with our operational requirements, supporting a wide range of core functions. We are committed to continuously enhancing and optimizing these systems to meet evolving business needs. Below is an overview of our key information technology systems:

- *Big Data Platform*: Intsig Data Studio (IDS) is our self-developed, end-to-end data application development and management portal. IDS delivers comprehensive data processing and visualization capabilities including ad-hoc analysis, collaborative workflow orchestration, data resources management, governance and data-driven decision making. The platform enables customers to process data efficiently and helps enterprises leverage data for business growth. It primarily serves four key use scenarios: data development, governance, analysis and management.

- *Intelligent Cloud Infrastructure Platform*: As our unified asset management platform for core operational infrastructure, this platform delivers automated lifecycle management of various kinds of assets. It streamlines infrastructure request processing across business units, provides PaaS platform automation services, and comprehensively handles asset monitoring, configuration management and statistical analysis. The integrated platform also offers fundamental capabilities including asset lookup, remote connections and database operations, enabling self-service access and management of authorized assets.

- *Approval Center*: The Approval Center is our internally developed core workflow management platform. It consolidates approval processes across departments and hierarchical levels and leverages an intelligent workflow engine to standardize, automate and visualize approval procedures. This ensures operational compliance and significantly enhances decision-making efficiency. The Approval Center supports standardized approval processes across 102 procedures, including HR and administration, IT and sales. It allows our staff to flexibly configure customized workflows through a user-friendly drag-and-drop interface. With integrated text intelligence technology, the system automatically extracts data from invoices and other documents, reducing manual input errors and improving reimbursement efficiency. Additionally, a comprehensive approval log captures timestamps and decision records for each action, enabling full traceability and ensuring compliance audits can be conducted with ease.

- *Project Management System*: This system focuses on time tracking for R&D projects. By enabling employees to log their working hours independently, the system supports refined cost allocation and detailed performance analysis, helping us optimize resource utilization and maintain effective cost control across projects. The system facilitates project initiation and change request approvals. Employees can manually log their work hours, while project managers can monitor time entries and allocation ratios in real time. A key feature is the time-lock mechanism, which prevents modification of time entries after submission, ensuring data integrity and meeting compliance requirements.

- *Software Development Management Platform*: This platform provides an integrated solution for managing the launch of new products and version updates of existing ones. It is designed to ensure the secure, compliant and orderly development and launch of all products across our Company. The platform offers centralized, end-to-end management of product launch plans across all business units. For each product, comprehensive compliance documentation is maintained, covering essential regulatory items such as user agreements, privacy policies, business licenses and qualification certifications. This ensures that all products meet relevant regulatory requirements prior to launch.

- *Lead Management System*: This system is designed to support marketing efforts by capturing and nurturing leads across multiple channels, both online and offline. Through intelligent lead scoring and automated assignment, the system aims to increase conversion rates throughout the sales funnel. Leads can be imported via manual entry, batch file uploads, or API integrations. The system allows our staff to define custom lead scoring models to automatically identify high-value prospects. It also integrates with various marketing tools to provide end-to-end lead nurturing. Once leads are deemed sales-ready, they can be seamlessly transferred to the CRM system for further engagement and conversion by the sales team.

- *Financial Management System*: This system serves as the core platform for managing our financial operations. By deeply integrating with business data, it supports critical functions such as revenue accounting, cash flow management, procurement control and financial analysis, enabling data-driven financial decision-making and supporting financial and operational alignment within our Group. The system is seamlessly integrated with the Approval Center to ensure smooth workflow transitions and automatic data archiving. It supports full-spectrum cash flow management through direct bank connectivity and bulk import of transaction records. In procurement, a standardized supplier database is maintained to enforce sourcing compliance. The system also serves as a centralized repository for financial master data, forming the foundation for accurate financial reporting and in-depth financial data analysis.

- *Security Operations Center*: This center serves as the core technical platform of our cybersecurity framework, enabling closed-loop processing of security incidents and comprehensive end-to-end management. This integrated platform consolidates all security requirements while providing centralized administration of security devices, delivering significant improvements in security detection coverage and efficiency, threat alert timeliness, and analytical accuracy — all while effectively reducing security operation and maintenance costs. This center's unified approach ensures streamlined security operations across the organization.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations. See "Risk Factors — Risks Relating to Our Industry and Business — Systems disruptions, distributed denial of service attacks, other hacking and phishing attacks on our systems or security breaches may delay or interrupt our business operation, harm our reputation and subject us to significant liability, which, in turn, may adversely affect our business, results of operations and financial results."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

Given the nature of our business, we do not produce any material generation of emissions and wastes and cause severe pollution. Nonetheless, we are committed to fostering sustainable practices, promoting social responsibility and maintaining strong governance standards, reflecting our dedication to Environmental, Social and Governance ("ESG") principles. We will establish a set of ESG policies ("ESG Policy") in accordance with the standards of Appendix C2 to the Listing Rules, which outlines, among others, (i) the appropriate risk governance on ESG matters, including climate-related risks and opportunities, (ii) ESG strategy formation procedures, (iii) ESG risk management and monitoring, (iv) the identification of key performance indicators ("KPI") and (v) the relevant measurements and mitigating measures.

Our ESG Policy will set out different parties' respective responsibilities and authority in managing ESG matters. Our Board will have overall responsibility for overseeing and determining our environmental, social and climate-related risks and opportunities impacting us, establishing and adopting the ESG Policy and our targets and reviewing our performance annually against the ESG targets and revising the ESG strategies as appropriate if significant variance from the target is identified.

We have established an ESG working group that will (i) support our Board in implementing the agreed ESG Policy, targets and strategies; (ii) conduct materiality assessments of ESG related risks; (iii) collect ESG data from different parties while preparing for the ESG report; and (iv) monitor the implementation of measures to address our Group's ESG-related risks. The ESG working group will report to our Board on an annual basis on our ESG performance and the effectiveness of the ESG systems.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material claim or penalty or accident in relation to health, work safety, social and environmental protection, and as advised by our PRC Legal Advisor, we had been in compliance with the relevant PRC laws and regulations in all material aspects.

Climate-Related Risks and Opportunities

Physical Risks. Our operations are exposed to physical risks from extreme weather events such as typhoons and heavy rains. These events can cause power outages, flooding and other disruptions, particularly affecting our operations. Such incidents could lead to safety issues, forced suspension of research and production activities and increased operating costs.

Climate-related Opportunities. Potential ESG-related policy changes and social trends, such as investors considering corporate ESG performance in their investment decisions and customers preferring products with green elements in design and production, also present opportunities for us. Our focus on AI innovation and document digitalization positions us to capitalize on these ESG-related opportunities. For instance, our AI-driven products empower global users across various scenarios to enhance document digitalization. This substantially reduces paper consumption, thereby supporting energy conservation and emission reduction efforts by minimizing the carbon footprint throughout the paper's lifecycle from its production and printing to transportation and final disposal. In 2024, *CamScanner* global users' scanning activities resulted in a total saving of over 130,000 tons in carbon emissions, equivalent to planting more than seven million trees.

Strategies for Addressing ESG-related Risks

We are adopting various strategies and measures to identify, assess, manage and mitigate ESG and climate-related risks, including but not limited to:

(i) review and evaluate ESG reports of comparable companies in the industry so as to ensure timely identification of general ESG-related risks;

(ii) discuss with the management from time to time and holding regular meetings so as to ensure that all material ESG areas are identified and reported; and

(iii) discuss key ESG principles and practices with key stakeholders to ensure that important aspects are covered.

In addition, we will take comprehensive measures to mitigate, adapt and build resilience to the impact of the environment on our business, strategies and financial performance. For instance, we plan to install energy saving equipment in our offices to meet our energy and resources saving goal.

Metrics and Targets

The ESG working group sets targets for each material KPI at the beginning of each financial year in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon [**REDACTED**]. The relevant targets on material KPIs will be reviewed by the Board on an annual basis to ensure that they remain appropriate to the needs of our Group.

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business operations.

Indicators		For the Year Ended December 31,			For the Three Months Ended March 31,
		2022	2023	2024	2025
Power consumption	Total electricity consumption (MWh)	385.2	481.8	616.2	152.3
Water consumption	Total water consumption (tons)	3,350.6	5,576.4	5,952.3	1,377.3

During the Track Record Period, our power consumption and water consumption had increased, which aligned with our business development. We identify the range of greenhouse gas emissions that we mainly generate as Scope 1 and Scope 2 emissions according to the Greenhouse Gas Accounting System — Enterprise Accounting and Reporting Standard. Scope 1 emissions refer to direct greenhouse gas emissions primarily from the consumption of direct energy in our operations, namely the use of petrol for our vehicles. Scope 2 emissions refer to indirect greenhouse gas emissions primarily from the consumption of electricity at our office spaces.

Corporate Social Responsibility

We have been committed to corporate responsibility projects. We are committed to advancing university-industry collaboration by providing internship opportunities for higher education students. We assign experienced mentors to offer one-on-one guidance, assisting interns in effectively bridging the gap between theoretical knowledge and practical application. Upon graduation, a number of these interns transition into full-time positions within our Company. This approach creates a win-win scenario, fostering talent development while supporting our corporate growth and thereby contributing to the broader talent pipeline for the industry.

Beyond internships, we partner with universities and research institutions to cultivate future tech talent, contributing to the construction of a resilient talent pipeline. In September 2024, we participated in the China College Student Service Outsourcing Innovation and Entrepreneurship Competition, where we provided student teams with technical support and project guidance to encourage industry-academia innovation. In December 2024, we donated a university-enterprise collaboration fund to the School of Computer Science and Technology in Tongji University to support talent development in science and technology.

Furthermore, we actively fulfill our corporate social responsibilities through the power of AI technologies. At the World Artificial Intelligence Conference in July 2024, we showcased our latest breakthroughs in using AIGC technology to digitally restore fragmented pages and faded text in the Dunhuang manuscripts. In collaboration with university research teams, we developed an AI-powered ancient book restoration model that applies techniques such as glyph reconstruction, color fading correction and background completion, achieving high-fidelity digital restorations that closely reflect the original manuscripts. In addition, during the Track Record Period, we donated a total of RMB3.3 million in cash and in-kind contributions to various social organizations and foundations to promote the development of historical culture and finance for technology innovation.

Employment, Benefits and Welfare

We strictly adhere to the local requirements stipulated in laws and regulations, including but not limited to, the Labor Law and the Labor Contract Law of the People's Republic of China, as well as other regulatory guidelines. We enter into employment contracts with all employees and ensure the statutory payment of all China's social insurance contributions and housing provident fund contributions on their behalf.

We continually refine our human resources management system and enhance our compensation and incentive mechanisms, while upholding and safeguarding the legitimate rights and interests of our employees. Furthermore, we cultivate an open work environment and have established comprehensive platforms for employee training and development.

In addition, we are dedicated to fostering a professional and ethical work environment and have established reporting channels for any misconduct. Should any illegal activities or regulatory violations be substantiated, we will address such matters strictly in accordance with applicable laws, regulations and our internal policies.

We place significant emphasis on the physical and mental well-being of our employees. We offer a range of benefits, including holiday gifts, paid leave benefits and team-building activities. We arrange annual health check-ups for our employees and provide supplementary commercial health insurance. In addition, we organize a variety of recreational and club activities, such as table tennis, yoga and hiking, to enrich the lives of our employees.

Employee Development and Training

We genuinely respect the individuality and diverse needs of our employees. We place a high priority on the personal and professional advancement of our employees and are committed to providing them with excellent learning platforms and well-structured career development pathways. We are dedicated to nurturing our employees from fresh graduates into industry experts, and a portion of our staff has been with the company since graduating from college. To this end, we offer a systematic range of training and development programs. Specifically, we offer foundational training covering corporate culture, company policies, code of conduct and information security. In addition, we provide specialized training in areas such as R&D, algorithms and operations for our employees. For management, we organize and offer leadership development programs to enhance their managerial capabilities. We offer thorough onboarding and training for new campus recruits as well as for lateral hires, facilitating their swift integration into the team and effective commencement of their roles.

Anti-corruption and Anti-bribery

We place significant emphasis on anti-bribery and anti-corruption efforts. To this end, we have established a comprehensive and systematic risk management framework. This framework, based on our Employee Code of Conduct and Employee Manual, clearly defines the responsibilities and obligations of all our internal departments and positions regarding anti-bribery and anti-corruption initiatives.

Our internal control departments conduct regular compliance reviews of internal business processes, with a specific focus on identifying potential bribery and corruption risks to ensure we conduct all business activities in a compliant manner. We have also established a robust accountability mechanism. Should any violations of our anti-bribery and anti-corruption policies be verified, we will take strict disciplinary action against the individuals involved. Furthermore, we have implemented a systematic and rational risk assessment framework for bribery and corruption. This framework identifies and evaluates pertinent risks across multiple dimensions, including our internal controls, business processes and the external environment.

Moreover, we place high importance on anti-bribery and anti-corruption training, viewing it as a critical means for us to enhance employee integrity awareness and mitigate risks. During the Track Record Period, we conducted three anti-bribery and anti-corruption integrity training sessions for employees, reaching a majority of our workforce.

Supplier Rights Protection

We have established management policies such as the Procurement Management Policy and the Supplier Onboarding Policy, which explicitly require the signing of a Supplier Integrity Agreement with suppliers. These measures aim to enhance procurement management standards, strengthen the procurement management system, standardize procurement practices and ensure transparency, openness and traceability throughout the procurement process. This approach aims to prevent any infringement upon the legitimate rights and interests of suppliers due to significant errors, misconduct or fraudulent activities. Regarding supplier management in our big data operations, we have established and strictly implemented the Data Procurement Management Guidelines.

Customer Rights Protection

We have implemented a full-cycle service model covering pre-sales, in-sales and after-sales stages, offering technical support, consulting and guidance services that span the entire lifecycle from design and implementation to ongoing operations. This ensures stable performance and optimization throughout the service cycle, meeting all customer needs. Furthermore, we place significant emphasis on actively collecting and analyzing user and customer feedback, viewing it as crucial for continuous improvement. To this end, we maintain a dedicated customer service team specifically structured to handle inquiries, resolve issues and provide comprehensive support. This commitment to responsive service and our proactive approach to addressing feedback are central to our ongoing efforts to elevate user satisfaction. Additionally, we have established an effective project management system to rigorously control the quality of products, ensuring on-time delivery and continuously improving customer satisfaction.

User Rights Protection

We have formulated management policies such as the User Rights Protection Policy and the User Complaint Handling Guidelines. These policies clearly outline mechanisms to safeguard user rights, ensuring that users' legitimate rights and interests are fully respected and protected. We provide users with convenient and transparent complaint channels, including user service hotlines, complaint email addresses and online platforms, enabling users to lodge complaints promptly when their rights are infringed. We meticulously document user concerns and coordinate internal resources to resolve issues in the shortest possible time, striving to ensure user satisfaction.

PROPERTIES

We are headquartered in Shanghai, China. As of March 31, 2025, we did not have any self-owned property and leased ten properties in the PRC with an aggregate gross floor area of approximately 12,649 square meters. Our leased properties are primarily used for the purpose of office.

As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LICENSES, APPROVALS AND PERMITS

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we had obtained all requisite certificates, licenses, permits and approvals from the relevant authorities that are material and necessary for our operations in China and such certificates, licenses, permits and approvals are valid and effective.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Risk Factors — Risks Relating to Our Industry and Business — We may be subject to legal and administrative proceedings in the ordinary course of our business from time to time. Additionally, negative allegations against us may be posted on the internet. If the outcome of these proceedings or the information posted online is adverse to us, it could have a material adverse effect on our business, results of operations, financial condition, cash flows and prospects." During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Compliance

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established a set of risk management measures and internal control policies and procedures that we consider to be appropriate for our business operations and we are dedicated to continuously improving these policies. Furthermore, we continually review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. We have adopted and implemented comprehensive internal control management in various aspects of our business operations such as operational risk management, compliance risk management, information security and data privacy risk management and intellectual property risk management.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk.

We take a comprehensive approach with regard to operational risk management and implement a mechanism with detailed and decentralized responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible for ensuring the compliance of our operations with internal procedures. In the event of a major adverse event, the matter will be escalated to our general manager and the Board to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Compliance Risk Management

Compliance risk refers to the risk of being subject to legal and regulatory sanctions and the risk of major financial and reputational losses as a result of our failure to comply with relevant laws, regulations, rules and guidelines.

Compliance risk management refers to the dynamic managing processes of our effective identification and management of compliance risks and proactively preventing the occurrence of risk events. We have established sound compliance risk management procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations.

In accordance with such procedures, our legal department carefully reviews the contracts we enter into with customers and suppliers. Before entering into any contracts or business arrangements, our legal department reviews the contract terms and examines related documents, including all necessary due diligence materials and licenses and permits obtained by the other party to fulfill its obligations under the relevant contract.

In addition, we continually monitor changes in relevant laws and regulations as well as the regulatory environment to ensure compliance of our business operations.

Information Security and Data Privacy Risk Management

See "— Data Security and Privacy."

Intellectual Property Risk Management

See "— Intellectual Property."

Audit Committee Experience and Qualification and Board Oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The Audit Committee comprises three members, namely Mr. WANG Shaofei (王少飛), Mr. JIANG Xiangyu (江翔宇) and Mr. SIU Chi Hung (蕭志雄). Mr. WANG Shaofei (王少飛) is the chairman of the Audit Committee and an independent non-executive Director. See "Directors and Senior Management — Board Committees."

We have also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions with respect to our AI products and R&D capabilities we received in the Track Record Period:

Award/Recognition	Award Year	Awarding Institution/Authority
Shanghai Innovative Enterprise Headquarters (上海市創新型企業總部)	2025	Shanghai Office of the Leading Group for Strategic Emerging Industries (上海市戰略性新興產業領導小組辦公室)
Shanghai High-Tech Commercialization Project – *TextIn* (上海市高新技術成果轉化項目 –*TextIn*)	2024	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會)
Technical Support Unit of the Document Integrity Protection Initiative ("護證計劃"支撐單位)	2025	China Academy of Information and Communications Technology (中國信息通信研究院)
Champion in AI Identity Verification – Financial Scenario (Tampering Detection) (2024年全球AI大模型攻防挑戰賽賽道二:AI核身–金融場景憑證篡改檢測冠軍)	2024	Chinese Society of Image and Graphics, Ant Group, among other institutions (中國圖象圖形學學會、螞蟻集團等)

Award/Recognition	Award Year	Awarding Institution/Authority
First Place in ICDAR 2023 DTT (Detecting Tampered Text) in Images Task 2: Text Manipulation Detection (文本圖像篡改檢測第一名)	2023	International Conference on Document Analysis and Recognition (國際文檔分析識別大會)
Champion in 2022 CSIG Image and Graphics Technology Challenge Competition (2022 CSIG圖像圖形技術挑戰賽–總冠軍)	2022	China Society of Image and Graphics (中國圖象圖形學學會)
Second Place in Track 1, CVPR 2025 Image Super-Resolution Challenge (2025年國際計算機視覺與模式識別會議圖像超分競賽賽道一亞軍)	2025	Conference on Computer Vision and Pattern Recognition (國際計算機視覺與模式識別會議)
Third Place in CVPR 2024 Face Anti-spoofing Challenge (2024年國際計算機視覺與模式識別會議人臉防偽挑戰賽季軍)	2024	Conference on Computer Vision and Pattern Recognition (國際計算機視覺與模式識別會議)
Silver Award – Image and Graphics Innovation Technology Awards (2025圖像圖形創新技術榜銀獎)	2025	Chinese Society of Image and Graphics (中國圖象圖形學學會)
Level 5 Rating – Trustworthy AI: Intelligent Document Processing System (可信AI–智能文檔處理系統5級評分)	2023	China Academy of Information and Communications Technology (中國信息通信研究院)
Enhanced Level – Trustworthy AI: OCR Intelligent Services (可信AI–OCR智能化服務"增強級"評級)	2023	China Academy of Information and Communications Technology (中國信息通信研究院)
High level Self-Developed Software Code Certification – *TextIn* (*TextIn*獲"軟件代碼高自研認證證書")	2023	China Academy of Information and Communications Technology (中國信息通信研究院)
Top 10 AI Innovative Applications in Yangtze River Delta – Image Tampering Detection (2023年長三角人工智能十大創新應用(AI圖像安全-圖像篡改檢測))	2023	Yangtze River Delta Artificial Intelligence Industry Alliance (長三角人工智能產業聯盟)

DIRECTORS

Our Board consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth certain information regarding our Directors:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Directors					
Dr. ZHEN Lixin (鎮立新)	57	Executive Director, chairman of the Board and general manager	August 2006	September 2010	Responsible for the overall strategic planning, business development and operation management of our Group
Mr. CHEN Qingshan (陳青山)	48	Executive Director and deputy general manager	December 2006	September 2012	Responsible for management and R&D of big data technology of our Group
Mr. LONG Teng (龍騰).	44	Executive Director, employee representative Director and deputy general manager	June 2009	September 2012	Responsible for management and R&D of AI technology of our Group
Mr. LIU Chen (劉忱).	41	Executive Director and Board secretary	April 2016	May 2020	Responsible for our corporate governance, information disclosure, investor and government relations and marketing
Ms. LIU Yaqin (劉雅琴)	37	Executive Director and assistant to the general manager	January 2011	June 2025	Responsible for our legal affairs and customer service management, internal audit and assisting in the overall management of our Group

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Non-executive Director					
Mr. HUANG Guoqiang (黃國強)	52	Non-executive Director	May 2020	May 2020	Responsible for providing advice to the Board and participating in the formulation of the general corporate business plans
Independent non-executive Directors					
Mr. SIU Chi Hung (蕭志雄)	54	Independent non-executive Director	June 2025	June 2025	Responsible for providing independent advice on the operation and management of our Company
Mr. JIANG Xiangyu (江翔宇)	49	Independent non-executive Director	May 2020	May 2020	Responsible for providing independent advice on the operation and management of our Company
Mr. WANG Shaofei (王少飛)	47	Independent non-executive Director	May 2020	May 2020	Responsible for providing independent advice on the operation and management of our Company

Executive Directors

Dr. ZHEN Lixin (鎮立新), aged 57, is our founder, chairman of the Board, general manager and our executive Director.

Dr. Zhen has more than 25 years of experience in AI-related industry. Prior to joining our Group, Dr. Zhen served as a senior manager at Motorola (China) Electronics Co., Ltd. (摩托羅拉(中國)電子有限公司) (currently known as Motorola Solutions (China) Co., Ltd. (摩托羅拉系統(中國)有限公司)) ("**Motorola China**") from July 2000 to September 2009 and a part-time professor at Tongji University (同濟大學) in the PRC from November 2008 to November 2011.

In 2021, Dr. Zhen was honored as a Shanghai Leading Talent by relative department in Shanghai city.

Dr. Zhen obtained his doctoral degree in pattern recognition and intelligent systems from Chinese Academy of Sciences (中國科學院自動化研究所) in July 2000.

Mr. CHEN Qingshan (陳青山), aged 48, is our executive Director and deputy general manager.

Mr. Chen has more than 20 years of experience in AI-related industry. Prior to joining our Group, he joined Alcatel Suzhou Telecommunications Co., Ltd. in April 2002 and subsequently served as the senior software engineer of Motorola China from April 2004 to December 2006.

Mr. Chen obtained his bachelor's degree in communication engineering from Shanghai Jiaotong University (上海交通大學) in the PRC in July 1999, his master's degree in control theory and control engineering from Shanghai Jiaotong University in March 2002 and his executive master of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in August 2019.

Mr. LONG Teng (龍騰), aged 44, is our executive Director, employee representative Director and deputy general manager.

Mr. Long has approximately 20 years of experience in AI-related industry. Prior to joining our Group, Mr. Long served as a researcher of Motorola China from July 2008 to June 2009. Mr. Long was awarded the Microsoft Fellowship by Microsoft Research Asia in 2005.

Mr. Long obtained his doctor's degree in communication and information systems from South China University of Technology (華南理工大學) in the PRC in June 2008.

Mr. LIU Chen (劉忱), aged 41, is our executive Director and Board secretary.

Mr. Liu joined our Group in April 2016 and served as the financial director of the Company from May 2020 to April 2021. Prior to joining our Group, Mr. Liu worked at China Petroleum & Chemical Corporation (中國石油化工股份有限公司) and Shengqu Information Technology (Shanghai) Co., Ltd. (盛趣信息技術(上海)有限公司).

Mr. Liu obtained his bachelor's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in 2009. Mr. Liu was qualified as secretary of the board by Shanghai Stock Exchange in March 2021.

Ms. LIU Yaqin (劉雅琴), aged 37, is our executive Director.

Ms. Liu joined our Group in January 2011 and served as our supervisor from May 2020 to May 2025. She currently serves as our assistant to general manager and head of law department, customer service department and internal audit department of our Group.

Ms. Liu obtained her bachelor's degree in software engineering from Southeast University (東南大學) in the PRC in June 2009.

Non-executive Director

Mr. HUANG Guoqiang (黃國強), aged 52, is our non-executive Director.

Mr. Huang joined Shenzhen Oriental Fortune Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) as a partner, director and deputy general manager in June 2009. He is currently the director and deputy general manager of Shenzhen Fuhai SME Development Fund Equity Investment Management Co., Ltd. (深圳市富海中小企業發展基金股權投資管理有限公司).

Mr. Huang served as a director of Huayang Lianzhong Digital Technology Co., Ltd. (華揚聯眾數字技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603825), from September 2011 to September 2023 and a director of Youmi Technology Co., Ltd. (有米科技股份有限公司), a company quoted on National Equities Exchange Quotations (stock code: 834156), from May 2016 to May 2024. Mr. Huang currently serves as a director of Kunlun Wanwei Technology Co., Ltd. (昆侖萬維科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300418), since September 2017, a director of Beijing Tiexue Technology Co., Ltd. (北京鐵血科技股份公司), a company quoted on National Equities Exchange Quotations (stock code: 833658), since June 2013 and a director of Sansec Technology Co., Ltd. (三未信安科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688489), since October 2020.

Mr. Huang received his master's degree in finance from the Chinese University of Hong Kong (香港中文大學) in December 2007 and his master's degree in applied economics from Tsinghua University (清華大學) in the PRC in July 2009.

Independent non-executive Directors

Mr. Siu Chi Hung (蕭志雄), aged 54, is our independent non-executive Director.

Mr. Siu has over 30 years of accounting and financial management experience. He joined KPMG (Hong Kong) in 1994 as an accountant and became a partner in 2008. Mr. Siu was the head of real estate of KPMG (China) and the head of capital markets development, Southern China of KPMG (China) before his retirement in June 2018. He has been an independent non-executive director of several companies that are listed on the Stock Exchange, including China Gas Industry Investment Holdings Co. Ltd. (stock code: 01940) since June 2020, China Aluminum International Engineering Corporation Limited (stock code: 02068) since April 2022, Sichuan Energy Investment Development Co., Ltd. (stock code: 01713) since August 2024, Bank of Zhengzhou Co., Ltd. (stock code: 06196) since March 2025. Mr. Siu also served as an executive director of LVGEM (China) Real Estate Investment Company Limited (stock code: 00095) from September 2019 to August 2021, an independent non-executive director of Dongjiang Environmental Company Limited (stock code: 00895) from December 2020 to June 2025, Central China Management Company Limited (stock code: 09982) from May 2021 to May 2024 and MicroPort NeuroScientific Corporation (stock code: 02172) from June 2022 to June 2024, each being a company listed on the Stock Exchange.

Mr. Siu is currently a non-practicing member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Independent Non-Executive Director Association. He was also a member of the American Institute of Certified Public Accountants.

Mr. Siu obtained his bachelor's degree in business administration from Chinese University of Hong Kong in May 1994.

Mr. JIANG Xiangyu (江翔宇), aged 49, is our independent non-executive Director.

Mr. Jiang previously served as an assistant director of Shanghai Law Society (上海市法學會), a legal and compliance officer of UBS Securities, a compliance director of Yangtze River Industry Fund (長江產業基金) and a senior legal director of Hutaojie (Shanghai) Information Technology Co., Ltd. (胡桃街(上海)信息技術有限公司).

Mr. Jiang currently serves as a senior partner of Shanghai Xieli Law Firm (上海協力律師事務所) and an independent director of China Oceanwide Fund Management Co., Ltd. (中海基金管理有限公司) since March 2024.

Mr. Jiang received his bachelor's degree in law from Sichuan University (四川大學) in the PRC in July 1998 and his doctor's degree in economic law from East China University of Political Science and Law (華東政法大學) in the PRC in June 2010.

Mr. WANG Shaofei (王少飛), aged 47, is our independent non-executive Director.

From August 1999 to June 2000, Mr. Wang worked at Donghu (Group) Company (上海市東湖(集團)公司) in Shanghai. From June 2007 to June 2010, he served as a postdoctoral researcher at the School of Accounting, Shanghai University of Finance and Economics (上海財經大學). Since September 2010, Mr. Wang has been serving as an accounting associate professor at the Business School of Shanghai University of Finance and Economics.

Mr. Wang currently serves as an independent director of Qingdao Rural Commercial Bank Co., Ltd. (青島農村商業銀行股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002958), since 2020, an independent director of Shanghai United Imaging Healthcare Co., Ltd. (上海聯影醫療科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688271), since November 2020, a non-executive director of Baowu Resources Co., Ltd. (寶武資源有限公司) since August 2023, a non-executive director of Baosteel Resources (International) Co., Ltd. (寶鋼資源(國際)有限公司) since August 2023 and a director of Puyin Ansheng Fund Management Co., Ltd. (浦銀安盛基金管理有限公司) since April 2025.

Mr. Wang received his bachelor's degree in statistics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 1999, his master's degree in statistics from Shanghai University of Finance and Economics in February 2003 and his doctor's degree in statistics from Shanghai University of Finance and Economics in January 2007.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table provides information about members of our senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a senior management member	Roles and responsibilities
Dr. ZHEN Lixin (鎮立新)	57	Executive Director, chairman of the Board and general manager	August 2006	September 2010	Responsible for the overall strategic planning, business development and operation management of our Group
Mr. CHEN Qingshan (陳青山)	48	Executive Director and deputy general manager	December 2006	September 2012	Responsible for management and R&D of big data technology of our Group
Mr. LONG Teng (龍騰)	44	Executive Director, employee representative Director and deputy general manager	June 2009	September 2012	Responsible for management and R&D of AI technology of our Group
Mr. LIU Chen (劉忱)	41	Executive Director and Board secretary	April 2016	May 2020	Responsible for our corporate governance, information disclosure, investor and government relations and marketing
Mr. YE Jiajie (葉家傑)	35	Financial director	August 2020	April 2021	Responsible for the overall financial management of our Group

Dr. ZHEN Lixin (鎮立新) is our executive Director, chairman of the Board and general manager. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. CHEN Qingshan (陳青山) is our executive Director and deputy general manager. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. LONG Teng (龍騰) is our executive Director, employee representative Director and deputy general manager. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. LIU Chen (劉忱) is our executive Director and Board secretary. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. YE Jiajie (葉家傑), aged 35, has been our financial director since April 2021.

Mr. Ye joined our Group in August 2020 and worked in our financial department from August 2020 to April 2021. Prior to joining our Group, Mr. Ye worked at General Electric (China) Co., Ltd. (通用電氣(中國)有限公司) from 2012 to 2020, with his final position as commercial finance director of Greater China region of a natural gas power generation group.

Mr. Ye received his bachelor's degree in finance from Zhejiang University (浙江大學) in the PRC in June 2012. Mr. Ye was qualified as Chartered Global Management Accountant and Fellow Certified Management Accountant.

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Saved as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

As of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. LIU Chen (劉忱), is one of the joint company secretaries of the Company. For the biographical details of Mr. Liu Chen, please refer to "— Directors — Executive Directors" above.

Mr. NG Tung Ching Raphael (吳東澄), is one of the joint company secretaries of the Company. Mr. Ng is a seasoned professional with over 14 years of extensive experience in the legal and company secretarial fields, specializing in corporate governance and compliance. He currently serves as the Assistant Vice President of Entity Solutions at Computershare Hong Kong Investor Services Limited.

Mr. Ng holds his bachelor's degree in law from Manchester Metropolitan University, a master's degree in Chinese business law from The Chinese University of Hong Kong and a master's degree in professional accounting and corporate governance from The City University of Hong Kong. Mr. Ng is an Associate Member of both The Hong Kong Chartered Governance Institute (the "**HKCGI**" formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. He also possesses the practitioner's endorsement from HKCGI.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code and the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. Wang Shaofei, Mr. Jiang Xiangyu and Mr. Siu Chi Hung as the members of the Audit Committee, with Mr. Wang Shaofei as the chairman of the Audit Committee and the Director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession and evaluate the Board diversity policy. The Nomination Committee comprises three members, namely Mr. Jiang Xiangyu, Mr. Siu Chi Hung and Ms. Liu Yaqin, with Mr. Jiang Xiangyu as the chairman of the Nomination Committee.

Remuneration and Evaluation Committee

We have established the Remuneration and Evaluation Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration and Evaluation Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The Remuneration and Evaluation Committee comprises three members, namely Dr. Zhen, Mr. Wang Shaofei and Mr. Jiang Xiangyu, with Mr. Wang Shaofei as the chairman of the Remuneration and Evaluation Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company. The Strategy Committee comprises three members, namely Dr. Zhen, Mr. Chen Qingshan and Mr. Wang Shaofei, with Dr. Zhen as the chairman of the Strategy Committee.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also the Company's employees, remuneration in the form of directors' fees, salaries, allowances and benefits in kind and retirement scheme contributions. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including being a member or the chairman of Board committees.

For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, the aggregate amount of directors' fees, salaries, allowances and benefits in kind and retirement scheme contributions of our Directors were RMB13.2 million, RMB14.0 million, RMB13.9 million and RMB2.2 million, respectively.

Under the arrangement currently in force, we estimate the total remuneration before taxation, including directors' fees, salaries, allowances and benefits in kind, and retirement scheme contributions, to be accrued to our former and existing Directors for the year ending December 31, 2025 to be approximately RMB16.4 million. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

For the years ended December 31, 2022, 2023 and 2024 and the three months ended 31 March 2025, of the five individuals with the highest emoluments, three, three, two and two were directors, respectively. The aggregate amount of salaries, allowances and benefits in kind and retirement scheme contributions of the five highest paid individuals (excluding Directors) were RMB5.3 million, RMB5.7 million, RMB8.8 million and RMB1.3 million, for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, respectively.

During the Track Record Period, no remuneration was paid to our Directors or any of the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or receivable by, any of our Directors, former directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [**REDACTED**], receive recommendations from our remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company complies or intends to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the [**REDACTED**].

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Dr. Zhen currently performs these two roles as chairman of the Board and general manager. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Zhen is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our general manager. The Board also believes that vesting the roles of both chairman and general manager in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including, but not limited to, gender, skills, age, professional experience, knowledge, cultural background, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our board currently consists of one female Director and eight male Directors. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group's operations and business. They obtained degrees in various majors including economics, accounting, business management, and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We have three independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the [**REDACTED**], our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and, when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors (other than our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Group's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025 and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a listed issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

Rule 13.51 of the Listing Rules

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no information relating to the appointment of our Directors that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Director that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances, including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction is contemplated, including share issues and share repurchases;

(c) where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment of our Compliance Advisor will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Zhen controlled approximately 29.95% of the total issued share capital of our Company, comprising 24.19% owned by him directly and 5.76% indirectly owned through Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo, each controlled by Shanghai Shihou, which is in turn controlled by Dr. Zhen. See "History, Development and Corporate Structure — Corporate Structure" in this document for details.

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]), Dr. Zhen, Shanghai Shihou, Shanghai Muyiran, Shanghai Duanlin, Shanghai Rongliran and Shanghai Dingluo and will continue to control [**REDACTED**]% of the total issued share capital of our Company, and will remain as our Single Largest Group of Shareholders upon the [**REDACTED**].

Dr. Zhen is our executive Director and chairman of the Board. See "Directors and Senior Management" in this document.

INTERESTS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

Each of our Single Largest Group of Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it/he did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**], taking into consideration the factors below.

Management Independence

Our Board consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Dr. Zhen (our executive Director, chairman of the Board and general manager) is one of the Single Largest Group of Shareholders.

Our Directors consider that we are capable of maintaining management independence for the following reasons:

(a) our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Company. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this document;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and

(d) we have three independent non-executive Directors and certain matters of our Company, including continuing connected transactions, must always be referred to the independent non-executive Directors for review. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Single Largest Group of Shareholders which would support our independent management. See "— Corporate Governance" for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Single Largest Group of Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

We do not rely on our Single Largest Group of Shareholders and their respective close associates for our business development, staffing, administration, finance, internal audit, IT, sales and marketing, procurement or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

We have independent access to our suppliers and customers. We are in possession of all relevant licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Company's own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We do not expect to rely on our Single Largest Group of Shareholders and their respective close associates for financing after the [**REDACTED**] as we expect that our working capital will be funded by cash flows generated from operating activities, the cash and cash equivalent on hand and internally generated funds as well as the [**REDACTED**] from the [**REDACTED**].

Save as disclosed above, as of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Single Largest Group of Shareholders or their respective associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Single Largest Group of Shareholders after the [**REDACTED**].

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "Corporate Governance Code"), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Single Largest Group of Shareholders:

(a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their respective associates has a material interest, our Single Largest Group of Shareholders or their respective associates will not vote on the resolutions and shall not be counted in the quorum in the voting;

(c) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provides that, a Director shall be abstained from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(d) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Single Largest Group of Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;

(e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management";

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Somerley Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [**REDACTED**].

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and without taking into account any H Shares which may be issued pursuant to the exercise of the [**REDACTED**], the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Shareholder	**Nature of Interest**	**Number and Description of Shares**[1]	**Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date**	**Approximate percentage of shareholding in the A Shares shortly after the** [REDACTED]	**Approximate percentage of shareholding in the total issued share capital of our Company immediately after the** [REDACTED]
			(%)	*(%)*	*(%)*
Dr. Zhen[2]	Beneficial owner	33,862,920 A Shares	24.19	24.19	[REDACTED]
	Interest of controlled corporation	8,066,836 A Shares	5.76	5.76	[REDACTED]
	Beneficial interest[4]	259,895 A Shares	0.19	0.19	[REDACTED]
Shanghai Shihou[2].	Interest of controlled corporation	8,066,836 A Shares	5.76	5.76	[REDACTED]
Orient Fortune Capital (Wuhu) Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)股權投資基金(有限合夥)) ("**OFC Wuhu**")[3]	Beneficial owner	7,094,745 A Shares	5.07	5.07	[REDACTED]
Orient Fortune Capital (Wuhu) Equity Investment Fund Management Enterprise (Limited Partnership) (東方富海(蕪湖)股權投資基金管理企業(有限合夥)) ("**OFC Wuhu Management**")[3].	Interest of controlled corporation	10,433,430 A Shares	7.45	7.45	[REDACTED]
LUO Xiping	Beneficial owner	7,177,800 A Shares	5.13	5.13	[REDACTED]
	Beneficial interest[4]	25,394 A Shares	0.02	0.02	[REDACTED]

Notes:

(1) All interests are long positions.

(2) As of the Latest Practicable Date, Dr. Zhen was interested in 90% of Shanghai Shihou, which was the general partner of Shanghai Muyiran, Shanghai Dingluo, Shanghai Rongliran and Shanghai Duanlin. Therefore, pursuant to the SFO, each of Dr. Zhen and Shanghai Shihou is deemed to be interested in the entire Shares held by each of Shanghai Muyiran, Shanghai Dingluo, Shanghai Rongliran and Shanghai Duanlin.

(3) As of the Latest Practicable Date, OFC Wuhu Management was the general partner and fund manager of each of OFC Wuhu and Orient Fortune Capital (Wuhu) No. 2 Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)二號股權投資基金(有限合夥)) ("**OFC Wuhu No. 2**"). Therefore, pursuant to the SFO, OFC Wuhu Management is deemed to be interested in the entire Shares held by each of OFC Wuhu and OFC Wuhu No. 2.

(4) Each of Dr. Zhen and LUO Xiping is interested in the underlying A Shares relating to their respective entitlements pursuant to the Employee Shareholding Plan. For illustrative purpose, the number of A Shares in which they are interested is calculated by multiplying their respective subscription percentages by the total number of A Shares held by the Employee Shareholding Plan.

For those who are directly and/or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of our Group, see "Appendix VI — Statutory and General Information — Further Information about Our Directors and Senior Management — Substantial Shareholders".

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the [**REDACTED**] (and the offering of any additional H Shares pursuant to the [**REDACTED**]), have an interest or short position in Shares or underlying Shares of our Company, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

OUR SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [**REDACTED**].

Immediately before the [REDACTED]

As of the Latest Practicable Date, the total share capital of our Company was RMB140,000,000, comprising 140,000,000 A Shares of nominal value RMB1.00 each.

Upon the Completion of the [REDACTED]

Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
		(%)
A Shares in issue	140,000,000	[REDACTED]
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[REDACTED]	[REDACTED]
Total	[REDACTED]	**100.00**

Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is fully exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital
		(%)
A Shares in issue	140,000,000	[REDACTED]
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[REDACTED]	[REDACTED]
Total	[REDACTED]	**100.00**

OUR SHARES

Our H Shares in issue upon completion of the [**REDACTED**], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. If our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] for or [**REDACTED**] by Hong Kong and other overseas investors and qualified domestic institutional investors. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by mainland Chinese investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

TRANSFER OF OUR A SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE AS H SHARES

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the [**REDACTED**].

In accordance with the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) ("**Full Circulation Guidelines**") published and implemented by the CSRC on November 14, 2019, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas listing, domestic unlisted shares further issued in the PRC after the overseas listing and unlisted shares held by foreign shareholders) could be listed and traded on the Hong Kong Stock Exchange after application to and approval from the CSRC. The Full Circulation Guidelines are only applicable to domestic companies listed on the Hong Kong Stock Exchange only and not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. Up to the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A shares holders may convert A shares held by them into H shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to [**REDACTED**] H Shares and seek [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. We have obtained such approval at the general meetings of our Company held on June 18, 2025 upon, among other things, the following major terms:

(1) Size of the [REDACTED]

The proposed number of H Shares to be [**REDACTED**] initially shall not exceed [**REDACTED**]% of the total issued number of shares as enlarged by the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]. The number of H Shares to be [**REDACTED**] pursuant to the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the total number of H Shares to be [**REDACTED**] initially pursuant to the [**REDACTED**].

(2) Method of [REDACTED]

The method of [**REDACTED**] shall be by way of [**REDACTED**] for subscription in Hong Kong and an [**REDACTED**] to institutional and professional investors.

(3) Target [REDACTED]

The H Shares shall be [**REDACTED**] to professional organizations, institutions individual investors and the public.

(4) [REDACTED] basis

The [**REDACTED**] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, the acceptance of investors and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(5) Validity period

The [**REDACTED**] of H Shares and [**REDACTED**] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the general meeting was held on June 18, 2025.

There is no other approved offering plan for our Shares except the [**REDACTED**].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix V — Summary of the Articles of Association" in this document for details.

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our financial years ended December 31 of such years, and Track Record Period refers to 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a world-leading artificial intelligence (AI) product company, founded in 2006 by a group of visionary scientists driven by technological ideals. We craft products that tackle real problems with real ease ("真有用、真好用"). Since our inception, we have been committed to empowering innovation through AI technology, delivering products to hundreds of millions of users and diverse industries worldwide. Backed by over 18 years of AI research and application expertise, we have become a global leader in text intelligence technology empowered by multimodal LLM. Our business spans over 200 countries and regions worldwide. We continue to lead the technological development and commercialization of AI, advancing global digital intelligence and enabling greater efficiency.

We ranked first in China and fifth globally in terms of revenue among companies with over 100 million monthly active users (MAU) in global individual efficiency AI products in 2024, and maintain strong growth momentum, according to CIC. As an AI-native company, our success is marked by three unique achievements:

(i) large-scale profitability;

(ii) massive user bases in both China and the world; and

(iii) scaled revenue from both individual user and enterprise products.

During the Track Record Period, we experienced robust growth in revenue and gross profit. Our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, and further increased by 21.2% to RMB1,438.1 million in 2024. Additionally, our revenue increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025. Our gross profit increased by 20.8% from RMB827.3 million in 2022 to RMB999.7 million in 2023, and further increased by 21.2% to RMB1,212.0 million in 2024. In addition, our gross profit increased by 22.5% from RMB275.9 million in the three months ended March 31, 2024 to RMB338.1 million in the three months ended March 31, 2025. In 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, we recorded net profits of RMB283.7 million, RMB323.2 million, RMB400.5 million, RMB98.3 million and RMB116.1 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Our business and operating results are affected by general factors affecting the AI products industry, which include:

- global macroeconomic conditions;
- regulatory environment, relevant laws and governmental policies in relation to the AI industry;
- competitive landscape; and
- market demand for our products.

Driven by the development of multimodal AI technologies, the rising demand for AI products across diversified user scenarios and favorable government policies, the global AI products industry had rapidly expanded. The market size of the global AI products industry was USD46.5 billion in 2024, and is expected to grow to USD228.0 billion in 2029, at a CAGR of 37.4%. At the same time, against the backdrop of a fast-paced society and a trend of digital and intelligent transformation, individual users and enterprises have the rising demand for AI efficiency products to streamline their workflows in various scenarios. Meanwhile, as new players enter into the AI products market and AI technologies continue to evolve, the deployment costs for AI products have decreased, making AI products more accessible. These trends are expected to fuel the virtuous cycle that increases the demand for our individual user and enterprise products, thereby driving our sales and strengthening our market presence.

Company Specific Factors

Continuous Innovation and Commercialization of AI Products

Our capability of translating advanced technologies into commercially successful products underpins our growth. We achieved scalable profitability through an integrated cycle spanning from R&D and product development to customer expansion, scenario exploration and further R&D.

We heavily invested in R&D to establish a robust technological foundation. During the Track Record Period, we incurred research and development expenses of RMB279.9 million, RMB323.4 million, RMB390.5 million, RMB83.6 million and RMB104.9 million in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. Leveraging our R&D efforts, we developed industry-leading text intelligence technology empowered by multimodal LLM, which is capable of processing various document types in 56 languages across nearly 30 industries and across over 200 countries and regions. We also participated in formulating various industry standards for tampering detection technologies, contributing to the development of the AI content security. Additionally, our in-house DIKI governance framework enables millisecond-level real-time processing and analysis of 200 billion commercial enterprise data entries, illustrating our industry-leading data processing capabilities and laying the foundations for developing products with market potential.

Our investment in AI technologies drove the iterations and expansion of our AI product portfolio, illustrating our capabilities in commercializing advanced AI technologies. During the Track Record Period, our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, and further increased by 21.2% to RMB1,438.1 million in 2024. Additionally, our revenue increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025. Going forward, we plan to continue investing in R&D to incorporate innovative AI functions into our existing products and launch new product types that address pain points of both individual users and enterprise customers, bringing additional revenue streams to support our sustainable growth.

Expansion of High-quality User Bases for Individual User Products and Enterprise Products

Our individual user products and enterprise products received widespread market acceptance. Our ability to retain the existing users and attract new ones is key to our operating results and financial performance. With respect to our individual user products, in 2024, we ranked first in China and ranked fifth globally in terms of revenue among companies with over 100 million MAUs in global individual user efficiency AI products, according to CIC. Our individual user products accumulated a broad and high-quality user base. As of December 2024, our three flagship individual user products served 171.4 million MAUs, increased from 133.0 million MAUs as of December 2022, at a CAGR of 13.5%. These individual user products enhanced efficiency across diverse scenarios covering campus, workplace and daily life scenarios. Consequently, many MAUs became paying users. The number of paying users of our individual user products increased from 5.3 million in 2022 to 7.4 million in 2024 at a CAGR of 18.2%, resulting in the increased revenue generated from our individual user products during the Track Record Period.

Moreover, we plan to expand the customer base for our enterprise products. According to CIC, the market size of the global enterprise AI products industry was USD35.7 billion in 2024 and is expected to grow to USD150.9 billion in 2029 at a CAGR of 33.4%. This industry is also highly fragmented, presenting enormous market opportunities for emerging AI companies. We offer standardized enterprise products that are deployed across nearly 30 industry verticals, effectively addressing corporate customers' pain points such as low efficiency and elevated error rates. Driven by effectiveness and enhanced user experience of our enterprise products, the number of our Fortune 500 customers grew from around 120 in 2022 to approximately 160 in 2024, while customers who procured our enterprise AI products increased from 2,593 to 3,207 during the same periods. Leveraging our technological advantages and commercialization-oriented product development, we aim to broaden our presence in additional industry verticals, further expanding our enterprise products' customer base and reinforcing our long-term growth prospects.

Development of Standardized Products and Making Them Scalable

According to CIC, we are among the few AI-native companies with scaled revenue from both individual user products and enterprise products, driven by a dual growth engine strategy. This strategy supports our sustainable business growth by continuously generating new revenue streams. Our individual user products primarily adopt paid subscription model, and our enterprise products are mainly standardized and adaptive to varying industry verticals, providing a stable cash flow and strong revenue visibility. In addition, due to the standardization of our products, we achieved economies of scale in both revenue streams, maintaining a high gross profit margin during the Track Record Period. In 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, our gross profit margin was 83.7%, 84.3%, 84.3%, 84.5% and 85.6%, respectively. Specifically, the gross profit margin for our individual user products was 87.5%, 88.9%, 88.0%, 88.2% and 88.3% in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, and the gross profit margin for our enterprise products was 65.1%, 58.8%, 64.7%, 64.6% and 67.7% in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. Leveraging our technological strengths and accumulated industry know-how, we plan to further expand our business, with a particular focus on developing standardized AI products with high margin and making them scalable.

Enhancing Market Penetration through Sales and Marketing Initiatives

Users often transmit and store data such as documents and electronic name cards on *CamScanner* and *CamCard*, leading to user stickiness and loyalty. In turn, these users help promote our products through social sharing and peer-to-peer exchanges, effectively expanding our user base with low costs since our inception. In recent years, noticing the rapid development of commercialized AI products, we selectively engaged in global marketing initiatives, such as targeted traffic acquisition and brand marketing, to acquire new users, enhance brand awareness and further reinforce user stickiness in our individual user products. Furthermore, we invested in the sales and marketing efforts for our enterprise products, including investment in marketing and promotional activities, sales team development and industry conferences. Our sales team possess deep industry insights to identify enterprise customers' pain points, forecasting market demand and collaborating closely with our product development team to deliver high-quality enterprise AI efficiency products. The effectiveness of our sales and marketing initiatives is critical to the expansion of our user bases and our revenue growth thereof.

Effective Cost Management Driven by Operational and Product Development Excellence

Our effective cost management approach contributes to our growing profitability. Due to the nature of our product portfolio, we incurred high costs in procuring cloud services and paying salaries for our expanding teams of professionals, which accounted for 73.2%, 78.0%, 74.0%, 77.3% and 69.4% of cost of revenue in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. We plan to optimize the structure of cost of revenue by developing standardized products to streamline our operational needs, thereby avoiding excessive costs and maintaining the high gross profit margin. In addition, as a percentage of our total revenues, our selling and marketing expenses, administrative and other operating expenses, and research and development expenses together accounted for 62.7%, 63.1%, 64.0%, 58.5% and 58.4% in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. Managing these operating expenses is crucial to achieving scalable commercialization of our offerings.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information are set out in Note 2 of the Appendix 1.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 April 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 April 2025 are set out in Note 32 of the Appendix 1.

MATERIAL ACCOUNTING POLICIES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Other significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 2 and Note 3 to the Accountants' Report in Appendix I to this Document.

Revenue recognition

Income is classified by us as revenue when it arises from the sale of goods and the provision of services in the ordinary course of our business.

Further details of our revenue recognition policies are as follows:

(i) Revenue from contracts with customers

We are the principal for our revenue transactions. In determining whether we act as a principal or as an agent, we consider whether we obtain control of the goods or services before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

Revenue is recognized when control over that good or service is transferred to the customer. For each performance obligation satisfied over time, we recognize revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If we do not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties.

Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone transaction price. We generally determine standalone transaction price based on observable prices.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Revenue derived from the provision of services on individual user products:

We provide imaged-based text processing, business networking and commercial data intelligence services to our individual users and also provide online advertising services primarily through our individual user products *CamScanner*, *CamCard* and *Qixinbao*.

Memberships services

We provide to users certain subscription packages which entitle paying subscribers with certain privileged or convenient features in the application. The subscription fee for these packages is time-based and is collected upfront from subscribers. The receipt of subscription fee is initially recorded as contract liabilities and recognized as revenue ratably over the subscription period.

Online Advertising services

Advertising revenue is primarily generated through display advertisements ("display ads") on the our individual user products. Advertising contracts are signed to establish the fixed unit prices and advertising services to be provided mainly based on cost per mille ("CPM") arrangements. When the collectability is reasonably assured, advertising revenues from the CPM arrangements are recognized based on the number of times that the advertisement has been displayed.

(b) Revenue derived from the provision of services on enterprise customer products

License of software

We also derive revenue from providing intelligent text processing and commercial data intelligence products to our enterprise customers through licensing of our software. Licenses for on-premises software provide the customer with a right to use the software as it exists when made available to the customer. We consider that the license provides a right to use our software and accordingly, revenue from distinct on-premises licenses is recognized upfront at the point in time when the software is made available to the customer.

Customers may also subscribe to licenses to access our application software. We consider that the license provides a right to access our software and, accordingly, revenue on a subscription basis is recognized ratably over the contract period or based on usage.

Professional services

We provide professional services to enterprise customers including data analytical services. The revenue derived from data analytical services are recognized at the point in time when the services are provided or accepted by customers.

(ii) Revenue from other income

(a) Interest income

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them.

Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate us for the cost of an asset are recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset by way of being recognized in other revenue.

Research and development expenditures

Research and development expenditure are classified into expenditure during the research phase and expenditure during the development phase. Expenditure during research activities is recognized in profit or loss as incurred. Expenditure during development activities is capitalized when capitalization criteria are fulfilled and recorded as "development expenditure," otherwise it is recognized in profit or loss as incurred.

Intangible assets (other than goodwill)

We recognize development costs related to commercial data resources as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development costs related to commercial data resources include commercial data acquisition cost from third parties, direct labour cost related to data cleansing and data annotation etc., and an allocated amount of indirect costs. Capitalized development costs related commercial data resources are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. Capitalized commercial data resources are amortized over their respective economic lives.

Other intangible assets that are acquired by us and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(j)(ii) to the Accountants' Report in Appendix I to this document).

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives of intangible assets are as follows:

Software	10 years
Data resources	5 years
Others	10 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Trade and other receivables

A receivable is recognized when we have an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(j)(i) to the Accountants' Report in Appendix I to this document).

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(j)(ii) to the Accountants' Report in Appendix I to this document):

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives of property and equipment are as follows:

Electronic equipment	3-5 years
Furniture	3-5 years
Servers	3-5 years
Vehicles	4 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets out a summary of our results of operations for the periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
Revenue	988,462	100.0	1,186,524	100.0	1,438,143	100.0	326,614	100.0	394,996	100.0
Cost of revenue	(161,151)	(16.3)	(186,833)	(15.7)	(226,105)	(15.7)	(50,700)	(15.5)	(56,880)	(14.4)
Gross profit	827,311	83.7	999,691	84.3	1,212,038	84.3	275,914	84.5	338,116	85.6
Other revenue	37,631	3.8	39,116	3.3	86,532	6.0	10,357	3.2	3,476	0.9
Other net income	26,725	2.7	7,378	0.6	8,829	0.6	2,070	0.6	1,365	0.3
Research and development expenses	(279,902)	(28.3)	(323,377)	(27.3)	(390,473)	(27.2)	(83,637)	(25.6)	(104,887)	(26.6)
Selling and marketing expenses	(268,783)	(27.2)	(335,046)	(28.2)	(429,088)	(29.8)	(86,256)	(26.4)	(103,057)	(26.1)
Administrative and other operating expenses	(70,877)	(7.2)	(89,834)	(7.6)	(101,344)	(7.0)	(21,057)	(6.4)	(22,619)	(5.7)
Impairment loss on trade and other receivables and contract assets	(2,261)	(0.2)	(2,926)	(0.2)	(2,472)	(0.2)	481	0.1	(1,069)	(0.3)
Profit from operations	269,844	27.3	295,002	24.9	384,022	26.7	97,872	30.0	111,325	28.2
Net Finance Income	6,855	0.7	7,083	0.6	12,552	0.9	621	0.2	5,641	1.4
Changes in fair value of financial assets measured at fair value through profit or loss	2,646	0.3	20,025	1.7	23,994	1.7	5,837	1.8	7,706	2.0
Share of gain of an associate	192	0.0	–	–	–	–	–	–	–	–
Profit before taxation	279,537	28.3	322,110	27.1	420,568	29.2	104,330	31.9	124,672	31.6
Income tax	4,181	0.4	1,071	0.1	(20,038)	(1.4)	(6,032)	(1.8)	(8,527)	(2.2)
Profit for the year/period	283,718	28.7	323,181	27.2	400,530	27.9	98,298	30.1	116,145	29.4
Attributable to										
Equity shareholders of the company	283,721	28.7	323,181	27.2	400,530	27.9	98,298	30.1	116,145	29.4
Non-Controlling interest	(3)	–	–	–	–	–	–	–	–	–

MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product Type

During the Track Record Period, we generated revenue from our individual user products, our enterprise products and others. The following table sets out a breakdown of our revenue by product type in absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
Individual user products	812,284	82.2	999,819	84.3	1,204,848	83.8	274,044	83.9	342,227	86.6
– *CamScanner*	714,573	72.3	904,628	76.2	1,112,382	77.3	250,208	76.6	320,209	81.1
– *CamCard*	20,904	2.1	24,488	2.1	28,353	2.0	6,918	2.1	7,276	1.8
– *Qixinbao*	76,807	7.8	70,703	6.0	64,113	4.5	16,918	5.2	14,742	3.7
Enterprise products	168,800	17.1	182,282	15.4	224,625	15.6	51,225	15.7	50,423	12.8
Others	7,378	0.7	4,423	0.4	8,670	0.6	1,345	0.4	2,346	0.6
Total	**988,462**	**100.0**	**1,186,524**	**100.0**	**1,438,143**	**100.0**	**326,614**	**100.0**	**394,996**	**100.0**

We primarily derived our revenue from individual user products that enjoy widespread popularity and serve consumers of diverse demographics. We mainly employ membership subscription model for our individual user products. Under this model, users pay subscription fees, with revenue recognized ratably over the membership service period. We offer online advertising services on individual user products by displaying advertising content on prominent interfaces such as product launch pages and user dashboards. Advertising fees are calculated based on a combination of factors, such as display duration, user traffic, placement position, and usage metrics, and revenue is recorded in line with the relevant contract terms or verified usage data.

For our enterprise products, we mainly provide standardized products, such as *TextIn* and *Qixin Insight*, as well as certain customized products. We mainly employ two revenue recognition models for our enterprise products, which recognize revenue upfront or ratably over the service period.

Individual User Products

Our individual user product portfolio consists of *CamScanner*, *CamCard* and *Qixinbao*. See "Business — Our Offerings — Flagship Individual User Products." During the Track Record Period, revenue generated from individual user products amounted to RMB812.3 million, RMB999.8 million, RMB1,204.8 million, RMB274.0 million and RMB342.2 million in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 82.2%, 84.3%, 83.8%, 83.9% and 86.6% of our total revenue for the same periods, respectively.

Enterprise Products

We mainly offer standardized products to enterprise customers, focusing on various industry verticals, such as manufacturing, banking, insurance, retail and technology. See "Business — Our Offerings — Flagship Enterprise Products." During the Track Record Period, revenue generated from enterprise products amounted to RMB168.8 million, RMB182.3 million, RMB224.6 million, RMB51.2 million and RMB50.4 million in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 17.1%, 15.4%, 15.6%, 15.7% and 12.8% of our total revenue for the same periods, respectively.

Revenue by Geographical Regions

The following table sets out a breakdown of our revenue by geographical locations in absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
Chinese Mainland	634,814	64.2	789,846	66.6	972,636	67.6	219,261	67.1	262,541	66.5
Other countries and regions	353,648	35.8	396,678	33.4	465,507	32.4	107,353	32.9	132,455	33.5
Total	**988,462**	**100.0**	**1,186,524**	**100.0**	**1,438,143**	**100.0**	**326,614**	**100.0**	**394,996**	**100.0**

Cost of Revenue

Our cost of revenue amounted to RMB161.2 million, RMB186.8 million, RMB226.1 million, RMB50.7 million and RMB56.9 million, in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. During the Track Record Period, our cost of revenue consisted of (i) cloud service costs, (ii) employee costs, (iii) depreciation and amortization, (iv) technical service fees, (v) SMS login fees for the user registration and login processes on our individual user products and (vi) other costs. The following table sets out a breakdown of our cost of revenue by nature in absolute amounts and as percentages of our cost of revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
Cloud service costs	69,127	42.9	85,400	45.7	104,393	46.2	22,704	44.8	28,774	50.6
Employee costs	48,766	30.3	60,399	32.3	62,807	27.8	16,463	32.5	10,686	18.8
Depreciation and amortization	7,611	4.7	9,684	5.2	25,377	11.2	3,813	7.5	8,936	15.7
Technical service fees	18,418	11.4	11,450	6.1	15,640	6.9	2,669	5.3	4,027	7.1
SMS login fees	6,288	3.9	5,896	3.2	7,300	3.2	1,791	3.5	1,728	3.0
Other costs	10,941	6.8	14,004	7.5	10,588	4.7	3,260	6.4	2,729	4.8
Total	**161,151**	**100.0**	**186,833**	**100.0**	**226,105**	**100.0**	**50,700**	**100.0**	**56,880**	**100.0**

The following table sets out a breakdown of our cost of revenue by product type in absolute amounts and as percentages of our cost of revenue for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
							(Unaudited)			
Individual user products	101,677	63.1	111,105	59.5	145,096	64.2	32,424	64.0	40,096	70.5
– *CamScanner*	86,426	53.6	97,568	52.2	135,745	60.0	30,494	60.1	37,215	65.4
– *CamCard*	3,114	1.9	3,252	1.7	3,911	1.7	945	1.9	922	1.6
– *Qixinbao*	12,137	7.5	10,285	5.5	5,440	2.4	985	1.9	1,959	3.4
Enterprise products	58,933	36.6	75,098	40.2	79,225	35.0	18,134	35.8	16,311	28.7
Others	541	0.3	630	0.3	1,784	0.8	142	0.3	473	0.8
Total	**161,151**	**100.0**	**186,833**	**100.0**	**226,105**	**100.0**	**50,700**	**100.0**	**56,880**	**100.0**

Gross Profit and Gross Profit Margin

During the Track Record Period, our gross profit amounted to RMB827.3 million, RMB999.7 million, RMB1,212.0 million, RMB275.9 million and RMB338.1 million, in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively. Our gross profit margin was 83.7%, 84.3%, 84.3%, 84.5% and 85.6% in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

The following table sets forth a breakdown of gross profit and gross profit margin by product type for the periods indicated.

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB in thousands, except for percentage)									
	Gross Profit	*Gross Profit Margin %*	*Gross Profit*	*Gross Profit Margin %*	*Gross Profit*	*Gross Profit Margin %*	*Gross Profit*	*Gross Profit Margin %*	*Gross Profit*	*Gross Profit Margin %*
							(Unaudited)			
Individual user products	710,607	87.5	888,714	88.9	1,059,752	88.0	241,620	88.2	302,131	88.3
– *CamScanner*	628,147	87.9	807,060	89.2	976,637	87.8	219,714	87.8	289,994	88.4
– *CamCard*	17,790	85.1	21,236	86.7	24,442	86.2	5,973	86.3	6,354	87.3
– *Qixinbao*	64,670	84.2	60,418	85.5	58,673	91.5	15,933	94.2	12,783	86.7
Enterprise products	109,867	65.1	107,184	58.8	145,400	64.7	33,091	64.6	34,112	67.7
Others	6,836	92.7	3,793	85.8	6,886	79.4	1,203	89.4	1,873	79.9
Total	**827,311**	**83.7**	**999,691**	**84.3**	**1,212,038**	**84.3**	**275,914**	**84.5**	**338,116**	**85.6**

Other Revenue

During the Track Record Period, our other revenue primarily consisted of (i) value-added tax refund for the revenue in relation to the sales of software products, and (ii) government grants for supporting the high-growth enterprises. The following table sets out a breakdown of the major components of our other revenue for the periods indicated:

	Year Ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(Unaudited)	
Value-added tax refund	22,044	31,350	71,142	7,336	–
Government grants	15,098	7,252	14,740	2,363	2,750
Others	489	514	650	658	726
Total other revenue	**37,631**	**39,116**	**86,532**	**10,357**	**3,476**

Other Net Income

During the Track Record Period, our other net income primarily resulted from (i) net realized gain on wealth management product and (ii) net foreign exchange gains or losses. The following table sets forth a breakdown of the major components of our other net income for the periods indicated:

	Year Ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	(RMB in thousands)				
				(Unaudited)	
Net realized gain on wealth management product	3,630	1,254	1,800	900	1,019
Net realized losses on foreign exchange swap product	(5,457)	–	–	–	–
Net gain on disposal of an associate	2,756	–	–	–	–
Net foreign exchange gain/(losses)	25,766	6,137	7,106	1,175	(314)
Net gain/(loss) on disposal of property and equipment and right-of-use assets	30	(13)	(77)	(5)	660
Total	**26,725**	**7,378**	**8,829**	**2,070**	**1,365**

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee costs, (ii) depreciation and amortization, (iii) cloud service expenses, and (iv) technical service fees. The following table sets out a breakdown of the major components of our research and development expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Employee costs	225,496	80.6	255,870	79.1	290,170	74.3	64,664	77.3	75,556	72.0
Depreciation and amortization	14,102	5.0	17,174	5.3	36,601	9.4	4,716	5.6	11,856	11.3
Cloud service expenses	15,994	5.7	20,946	6.5	30,990	7.9	7,185	8.6	7,987	7.6
Technical service fees	17,511	6.3	21,922	6.8	26,074	6.7	5,432	6.5	7,729	7.4
Others	6,799	2.4	7,465	2.3	6,638	1.7	1,640	2.0	1,760	1.7
Total	**279,902**	**100.0**	**323,377**	**100.0**	**390,473**	**100.0**	**83,637**	**100.0**	**104,887**	**100.0**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) market promotion expenses, (ii) employee costs, and (iii) business development and traveling expenses. The following table sets forth a breakdown of the major components of our selling and marketing expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Market promotion expenses	151,646	56.4	197,740	59.0	275,345	64.2	54,640	63.3	67,133	65.1
Employee costs	97,677	36.3	112,481	33.6	124,963	29.1	25,875	30.0	29,675	28.8
Business development and traveling expenses	7,050	2.6	11,897	3.6	13,020	3.0	2,143	2.5	2,418	2.3
Others	12,410	4.7	12,928	3.8	15,760	3.7	3,598	4.2	3,831	3.8
Total	**268,783**	**100.0**	**335,046**	**100.0**	**429,088**	**100.0**	**86,256**	**100.0**	**103,057**	**100.0**

Administrative and Other Operating Expenses

During the Track Record Period, our administrative and other operating expenses primarily consisted of (i) employee costs, (ii) professional service and other consulting fees, (iii) traveling expenses, (iv) tax expenses, (v) payment processing expenses and other financial expenses, and (vi) depreciation and amortization. The following table sets out a breakdown of the major components of our administrative and other operating expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Employee costs	41,969	59.2	48,319	53.8	57,980	57.2	12,783	60.7	13,915	61.5
Professional service and consulting fees	8,491	12.0	14,688	16.4	12,556	12.4	2,152	10.2	1,807	8.0
Traveling expenses	6,204	8.8	8,589	9.6	9,830	9.7	1,572	7.5	2,474	10.9
Tax expenses	5,403	7.6	7,320	8.1	9,803	9.7	2,767	13.1	2,352	10.4
Payment processing expenses and other financial expenses	3,718	5.2	5,744	6.4	5,197	5.1	1,204	5.7	1,311	5.8
Depreciation and amortization	3,153	4.4	2,820	3.1	2,615	2.6	438	2.1	600	2.7
Others	1,939	2.8	2,354	2.6	3,363	3.3	141	0.7	160	0.7
Total	**70,877**	**100.0**	**89,834**	**100.0**	**101,344**	**100.0**	**21,057**	**100.0**	**22,619**	**100.0**

Impairment Loss on Trade and Other Receivables and Contract Assets

During the Track Record Period, our impairment loss on trade and other receivables and contract assets remained relatively stable at RMB2.3 million, RMB2.9 million and RMB2.5 million in 2022, 2023 and 2024, respectively. We recorded a reversal of impairment loss on trade and other receivables and contract assets of RMB0.5 million in the three months ended March 31, 2024 and impairment loss on trade and other receivables and contract assets of RMB1.1 million in the three months ended March 31, 2025.

Net Finance Income

During the Track Record Period, our finance income consisted of interest income from bank deposits, and our finance costs consisted of interest expense on lease liabilities.

	Year Ended December 31,			Three Months Ended March 31,	
	2022	**2023**	**2024**	**2024**	**2025**
	(RMB in thousands)			*(Unaudited)*	
Interest income from bank deposits	(7,316)	(10,089)	(15,229)	(1,357)	(6,203)
Finance income	**(7,316)**	**(10,089)**	**(15,229)**	**(1,357)**	**(6,203)**
Interest on lease liabilities	461	3,006	2,677	736	562
Finance costs	**461**	**3,006**	**2,677**	**736**	**562**
	(6,855)	**(7,083)**	**(12,552)**	**(621)**	**(5,641)**

Changes in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss

During the Track Record Period, our changes in fair value of financial assets measured at fair value through profit or loss primarily represent our gains or losses from wealth management products issued by various financial institutions in the PRC. We recognized gains of RMB2.6 million, RMB20.0 million, RMB24.0 million, RMB5.8 million and RMB7.7 million from financial assets measured at fair value through profit or loss in 2022, 2023, 2024 and the three months ended March 31, 2024 and 2025, respectively.

Income Tax

During the Track Record Period, our income tax primarily consisted of current PRC corporate income tax, current overseas tax and deferred tax. We had income tax credit of RMB4.2 million and RMB1.1 million in 2022 and 2023, respectively and income tax expenses of RMB20.0 million, RMB6.0 million and RMB8.5 million for the year ended December 31, 2024 and the three months ended March 31, 2024 and 2025, respectively.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three months ended March 31, 2025 Compared to Three months ended March 31, 2024

Revenue

Our revenue increased by 20.9% from RMB326.6 million in the three months ended March 31, 2024 to RMB395.0 million in the three months ended March 31, 2025, primarily due to the increased revenue from our individual user products. The revenue from the sales of our enterprise products remained relatively stable in the three months ended March 31, 2024 and 2025.

Our revenue from the sales of individual user products increased by 24.9% from RMB274.0 million in the three months ended March 31, 2024 to RMB342.2 million in the three months ended March 31, 2025. In particular, our revenue from *CamScanner* increased by 28.0% from RMB250.2 million in the three months ended March 31, 2024 to RMB320.2 million in the three months ended March 31, 2025, primarily due to the expansion in MAUs and an increase in paying users resulting from our continuous product upgrades, enhanced user experience and effective market promotion efforts.

Our revenue from the sales of enterprise products remained relatively stable at RMB51.2 million in the three months ended March 31, 2024 and RMB50.4 million in the three months ended March 31, 2025.

Cost of Revenue

Our cost of revenue increased by 12.2% from RMB50.7 million in the three months ended March 31, 2024 to RMB56.9 million in the three months ended March 31, 2025. The increase in cost of revenue was mainly due to (i) an increase in the cloud service costs and (ii) an increase in depreciation and amortization. Cloud service costs increased by 26.9% from RMB22.7 million in the three months ended March 31, 2024 to RMB28.8 million in the three months ended March 31, 2025, mainly because we purchased more cloud services to support the growing user base of our individual user products and meet the increasing storage and transmission demands. Depreciation and amortization increased by 134.2% from RMB3.8 million in the three months ended March 31, 2024 to RMB8.9 million in the three months ended March 31, 2025, primarily due to procurement of servers and increased intangible assets.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 22.5% from RMB275.9 million in the three months ended March 31, 2024 to RMB338.1 million in the three months ended March 31, 2025. Our gross profit margin remained relatively stable, being from 84.5% in three months ended March 31, 2024 to 85.6% in the same period in 2025.

Our gross profit from the sales of individual user products increased by 25.0% from RMB241.6 million in the three months ended March 31, 2024 to RMB302.1 million in the three months ended March 31, 2025, in line with the growth of individual user products during this period. Our gross profit margin from the sales of individual user products remained relatively stable at 88.2% and 88.3% in the three months ended March 31, 2024 and 2025, respectively.

Our gross profit from the sales of enterprise products remained relatively stable at RMB33.1 million in the three months ended March 31, 2024 and RMB34.1 million in the three months ended March 31, 2025. Our gross profit margin from the sales of enterprise products increased from 64.6% in the three months ended March 31, 2024 to 67.7% in the three months ended March 31, 2025, mainly due to our focus on developing standardized enterprise products with higher gross profit margin.

Other Revenue

Our other revenue decreased by 66.4% from RMB10.4 million in the three months ended March 31, 2024 to RMB3.5 million in the three months ended March 31, 2025, primarily due to a decrease in value-added tax refund from RMB7.3 million in the three months ended March 31, 2024 to nil in the same period in 2025.

Other Net Income

Our other net income decreased by 33.3% from RMB2.1 million in the three months ended March 31, 2024 to RMB1.4 million in the three months ended March 31, 2025. We had net foreign exchange losses of RMB0.3 million in the three months ended March 31, 2025 compared to net foreign exchange gains of RMB1.2 million in the three months ended March 31, 2024, primarily due to the fluctuation in exchange rate of RMB against USD.

Research and Development Expenses

Our research and development expenses increased by 25.5% from RMB83.6 million in the three months ended March 31, 2024 to RMB104.9 million in the three months ended March 31, 2025, primarily due to (i) the expansion of our R&D team, (ii) the procurement of additional cloud services to support our R&D initiatives, and (iii) the rise in technical service fees resulting from the increased algorithm training and AI infrastructure development.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 19.5% from RMB86.3 million in the three months ended March 31, 2024 to RMB103.1 million in the three months ended March 31, 2025, primarily due to the increase in our market promotion fees and the expansion of our sales and marketing team to support our business growth.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 7.1% from RMB21.1 million in the three months ended March 31, 2024 to RMB22.6 million in the three months ended March 31, 2025, primarily due to the increased employee benefits expenses and higher business development and traveling expenses, which were in line with our business growth. Meanwhile, we effectively manage the increases in administrative and other operating expenses by improving the management efficiency.

Net Finance Income

Our net finance income increased from RMB0.6 million in the three months ended March 31, 2024 to RMB5.6 million in the three months ended March 31, 2025, primarily due to an increase in the interest income from bank deposits.

Changes in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss

Our gains from financial assets measured at fair value through profit or loss increased by 32.8% from RMB5.8 million in the three months ended March 31, 2024 to RMB7.7 million in the three months ended March 31, 2025, mainly because we purchased more wealth management products.

Income Tax

Our income tax expenses increased from RMB6.0 million in the three months ended March 31, 2024 to RMB8.5 million in the three months ended March 31, 2025, in line with the increase in our profits.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 18.1% from RMB98.3 million in the three months ended March 31, 2024 and RMB116.1 million in the three months ended March 31, 2025.

2024 Compared to 2023

Revenue

Our revenue increased by 21.2% from RMB1,186.5 million in 2023 to RMB1,438.1 million in 2024, primarily due to the growth of both our individual user products and enterprise products.

Our revenue from individual user products increased by 20.5% from RMB999.8 million in 2023 to RMB1,204.8 million in 2024. Specifically, our revenue from *CamScanner* increased by 23.0% from RMB904.6 million in 2023 to RMB1,112.4 million in 2024, and our revenue from *CamCard* increased by 15.9% from RMB24.5 million in 2023 to RMB28.4 million in 2024. Our increased revenue derived from these two products was primarily due to the expansion in MAUs and the increased paying users, which were mainly driven by product upgrades, enhanced user experience and effective market promotion efforts.

Our revenue from enterprise products increased by 23.2% from RMB182.3 million in 2023 to RMB224.6 million in 2024, primarily due to the expansion in our customer bases from 2,738 to 3,207, as we strategically developed standardized enterprise products across various industry verticals, including manufacturing, banking, insurance and retail.

Cost of Revenue

Our cost of revenue increased by 21.0% from RMB186.8 million in 2023 to RMB226.1 million in 2024. The increase in cost of revenue was mainly due to (i) an increase in cloud service costs, (ii) an increase in our technical service fees and (iii) an increase in depreciation and amortization. Cloud service costs increased by 22.2% from RMB85.4 million in 2023 to RMB104.4 million in 2024, mainly due to the procurement of cloud services to support product upgrades and meet the increased storage and transmission demands. Additionally, technical service fees increased by 35.7% from RMB11.5 million in 2023 to RMB15.6 million in 2024, mainly due to our enhanced technical support to sustain our scale. Depreciation and amortization increased by 161.9% from RMB9.7 million in 2023 to RMB25.4 million in 2024, primarily due to the procurement of servers and increased intangible assets amortization.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 21.2% from RMB999.7 million in 2023 to RMB1,212.0 million in 2024. Our gross profit margin remained relatively stable at 84.3% in 2023 and 2024.

Our gross profit from the sales of individual user products increased by 19.3% from RMB888.7 million in 2023 to RMB1,059.8 million in 2024, in line with the growth of individual user products during this period. Our gross profit margin of the sales of individual user products remained relatively stable at 88.9% in 2023 and 88.0% in 2024.

Our gross profit from the sales of enterprise products increased by 35.6% from RMB107.2 million in 2023 to RMB145.4 million in 2024, due to the expansion of this business line. Our gross profit margin from enterprise products increased from 58.8% in 2023 to 64.7% in 2024, mainly because we leveraged the market insights and know-how to enhance enterprise products and develop standardized products applicable to various industry verticals.

Other Revenue

Our other revenue increased by 121.2% from RMB39.1 million in 2023 to RMB86.5 million in 2024, mainly because (i) our value-added tax refund increased by 126.4% from RMB31.4 million in 2023 to RMB71.1 million in 2024, primarily due to periodic tax refund settlement; and (ii) our government grants increased by 101.4% from RMB7.3 million in 2023 to RMB14.7 million in 2024 mainly due to the increased government subsidies supporting our business growth.

Other Net Income

Our other net income increased by 18.9% from RMB7.4 million in 2023 to RMB8.8 million in 2024, primarily due to (i) an increase in net realized gain on wealth management product, and (ii) an increase in the net foreign exchange gain.

Research and Development Expenses

Our research and development expenses increased by 20.7% from RMB323.4 million in 2023 to RMB390.5 million in 2024, primarily due to (i) the expansion of our R&D team, (ii) the procurement of additional cloud services to support product upgrades and innovations, (iii) the increased depreciation and amortization mainly in relation to the procurement of servers, and (iv) the increased technical service fees used for the algorithm training and AI infrastructure development.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 28.1% from RMB335.0 million in 2023 to RMB429.1 million in 2024, primarily due to an increase in the market promotion expenses resulting from our marketing efforts to expand our presence on different platforms and reach a broader user base.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 12.8% from RMB89.8 million in 2023 to RMB101.3 million in 2024, primarily due to an increase in employee benefits expenses caused by the expansion of our management team in line with our business growth. Meanwhile, we manage the increases in administrative and other operating expenses through improving the management efficiency.

Net Finance Income

Our net finance income increased by 77.5% from RMB7.1 million in 2023 to RMB12.6 million in 2024, primarily due to an increase in the interest income from bank deposits.

Changes in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss

Our gains from financial assets measured at fair value through profit or loss increased by 20.0% from RMB20.0 million in 2023 to RMB24.0 million in 2024, primarily due to an increase in wealth management products.

Income Tax

We recorded income tax credit of RMB1.1 million in 2023 and income tax expense of RMB20.0 million in 2024, primarily attributable to an increase in current tax expense due to (i) the full utilization of deductible historical tax losses, and (ii) the application of a 10% corporate income tax rate in 2024 upon the expiration of a prior corporate income tax exemption policy.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 23.9% from RMB323.2 million in 2023 and RMB400.5 million in 2024.

2023 Compared to 2022

Revenue

Our revenue increased by 20.0% from RMB988.5 million in 2022 to RMB1,186.5 million in 2023, primarily due to the growth in both our individual user products and enterprise products.

Our revenue from individual user products increased by 23.1% from RMB812.3 million in 2022 to RMB999.8 million in 2023, primarily driven by the increase in the revenue from *CamScanner* and *CamCard*. Our revenue from *CamScanner* increased by 26.6% from RMB714.6 million in 2022 to RMB904.6 million in 2023, and our revenue from *CamCard* increased by 17.2% from RMB20.9 million in 2022 to RMB24.5 million in 2023. These increases were primarily attributable to the expansion in our overall user base and paying users.

Our revenue from enterprise products increased by 8.0% from RMB168.8 million in 2022 to RMB182.3 million in 2023, primarily because we expanded customer base from 2,593 to 2,738 by diversifying the application scenarios and upgrading enterprise products.

Cost of Revenue

Our cost of revenue increased by 15.9% from RMB161.2 million in 2022 to RMB186.8 million in 2023. The increase in cost of revenue was mainly due to (i) an increase in cloud service costs, and (ii) an increase in employee costs. Cloud service costs increased by 23.6% from RMB69.1 million in 2022 to RMB85.4 million in 2023, mainly due to our need for computing power to meet the growing data storage and transmission demands. Additionally, employee salaries increased by 23.8% from RMB48.8 million in 2022 to RMB60.4 million in 2023, as we hired more professionals to support our business expansion.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 20.8% from RMB827.3 million in 2022 to RMB999.7 million in 2023. Our gross profit margin remained relatively stable at 83.7% in 2022 and 84.3% in 2023.

Our gross profit from the sales of individual user products increased by 25.1% from RMB710.6 million in 2022 to RMB888.7 million in 2023, in line with the growth of individual user products during this period. Our gross profit margin from the sales of individual user products remained relatively stable at 87.5% in 2022 and 88.9% in 2023.

Our gross profit from the sales of enterprise products decreased by 2.5% from RMB109.9 million in 2022 to RMB107.2 million in 2023, and our gross profit margin from enterprise products decreased from 65.1% in 2022 to 58.8% in 2023. These decreases were primarily because we (i) expanded our workforce to support the growth of enterprise product business; and (ii) undertook certain customized projects to amass our know-how across various industries.

Other Revenue

Our other revenue remained relatively stable at RMB37.6 million in 2022 and RMB39.1 million in 2023, respectively.

Other Net Income

Our other net income decreased by 72.3% from RMB26.7 million in 2022 to RMB7.4 million in 2023, primarily due to a decrease in net foreign exchange gain from RMB25.8 million in 2022 to RMB6.1 million in 2023, caused by fluctuations in the exchange rate of RMB against USD.

Research and Development Expenses

Our research and development expenses increased by 15.5% from RMB279.9 million in 2022 to RMB323.4 million in 2023, primarily due to (i) the expansion of our R&D team, (ii) the increased procurement of cloud services and other technical services to support our R&D initiatives, (iii) an increase in depreciation and amortization of our servers, and (iv) an increase in technical service fees.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 24.6% from RMB268.8 million in 2022 to RMB335.0 million in 2023, primarily due to the increased market promotion and expansion of our sales and marketing team.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB70.9 million in 2022 to RMB89.8 million in 2023, primarily due to the expansion of management team to support our business growth and expensing of certain professional services and consulting fees related to our listing on the STAR Market of the Shanghai Stock Exchange.

Net Finance Income

Our net finance income increased from RMB6.9 million in 2022 to RMB7.1 million in 2023, primarily due to an increase in the interest income from bank deposits.

Changes in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss

Our gains from financial assets measured at fair value through profit or loss significantly increased from RMB2.6 million in 2022 to RMB20.0 million in 2023, primarily due to an increase in wealth management products.

Income Tax

Our income tax credit decreased by 74.4% from RMB4.2 million in 2022 to RMB1.1 million in 2023, primarily because an increase in current tax and an increase in deferred tax, in line with our growth in profit.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 13.9% from RMB283.7 million in 2022 and RMB323.2 million in 2023.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets out a breakdown of our current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of April 30,
	2022	2023	2024	2025	2025
	(RMB in thousands)				(Unaudited)
Current assets					
Inventories	386	2,473	3,905	3,140	3,168
Contract assets	2,907	2,770	4,497	3,976	6,124
Trade and other receivables	122,513	117,931	130,460	146,843	143,727
Prepayments	17,870	21,060	22,779	19,912	23,378
Restricted deposits	21,574	21,349	24,499	26,830	23,081
Time deposits	–	–	79,791	251,955	261,211
Financial assets measured at fair value through profit or loss (FVPL)	531,076	1,111,248	1,544,658	1,672,198	1,795,034
Cash and cash equivalents	531,275	331,262	1,390,355	1,192,076	1,028,604
Total current assets	**1,227,601**	**1,608,093**	**3,200,944**	**3,316,930**	**3,284,327**
Current liabilities					
Trade and other payables	168,869	199,243	244,417	261,677	158,720
Contract liabilities	444,114	529,002	520,661	499,545	518,687
Lease liabilities	1,870	16,633	18,706	15,662	18,129
Taxation payable	122	2,157	9,760	11,890	6,751
Total current liabilities	**614,975**	**747,035**	**793,544**	**788,774**	**702,287**
Net current assets	**612,626**	**861,058**	**2,407,400**	**2,528,156**	**2,582,040**

Our net current assets remained relatively stable at RMB2,528.2 million and RMB2,582.0 million as of March 31, 2025 and April 30, 2025, respectively. During this period, we recorded (i) an increase in financial assets measured at fair value through profit or loss of RMB122.8 million, primarily attributable to our purchase of wealth management products, (ii) a decrease in trade and other payables of RMB103.0 million due to payment for certain bonuses to employees, partially offset by (i) a decrease in cash and cash equivalents of RMB163.5 million which was used to purchase wealth management products, (ii) an increase in contract liabilities of RMB19.1 million and (iii) a decrease in trade and other receivables of RMB3.1 million.

Our net current assets increased from RMB2,407.4 million as of December 31, 2024 to RMB2,528.2 million as of March 31, 2025. The change was primarily due to (i) an increase in time deposits of RMB172.2 million, primarily due to our increased deposits denominated in U.S. dollars, (ii) an increase in financial assets measured at fair value through profit or loss of RMB127.5 million, (iii) a decrease in contract liabilities of RMB21.1 million, and (iv) an increase in trade and other receivables of RMB16.4 million, partially offset by (i) a decrease in cash and cash equivalents of RMB198.3 million due to our purchase of time deposits and wealth management products, and (ii) an increase in trade and other payables of RMB17.3 million.

Our net current assets increased from RMB861.1 million as of December 31, 2023 to RMB2,407.4 million as of December 31, 2024. The change was primarily due to (i) an increase in cash and cash equivalents of RMB1,059.1 million attributable to the net proceeds from our listing on the STAR Market of Shanghai Stock Exchange, (ii) an increase in financial assets measured at fair value through profit or loss of RMB433.4 million, and (iii) an increase in time deposits of RMB79.8 million, partially offset by an increase in trade and other payables of RMB45.2 million due to our increased accrued payroll and benefits for our expanding workforce.

Our net current assets increased from RMB612.6 million as of December 31, 2022 to RMB861.1 million as of December 31, 2023, primarily due to an increase in financial assets measured at fair value through profit or loss of RMB580.2 million, partially offset by (i) a decrease in cash and cash equivalents of RMB200.0 million resulting from our purchase of wealth management products, (ii) an increase in contract liabilities of RMB84.9 million resulting from the increase in prepaid membership fees following the sales growth of our individual user products, and (iii) an increase in trade and other payables of RMB30.4 million due to an increase in trade payables for promotions expenses and SMS login fees, as well as the increased accrued payroll and benefits for our expanding workforce.

Inventories

Our inventories primarily consisted of printers, servers and scanners. Our printers and scanners were mainly used for certain functions of our individual user products and enterprise products. Servers were mainly used for text recognition services. Our inventories increased from RMB0.4 million as of December 31, 2022 to RMB2.5 million as of December 31, 2023, and further increased to RMB3.9 million as of December 31, 2024. These increases were mainly attributable to increases in printers and servers used for text recognition. Our inventories decreased by 20.5% from RMB3.9 million as of December 31, 2024 to RMB3.1 million as of March 31, 2025, mainly because we sold some printers and delivered certain servers to our customers.

The following table sets out the number of our inventories turnover days for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
Inventories turnover days[1]	1	3	5	6

Note:

(1) Inventories turnover days for a period equals the average of the opening and closing inventories divided by cost of revenue for the same period and multiplied by 360 days for a full-year period or 90 days for a three-month period.

Our inventories turnover days increased from one day in 2022 to three days in 2023, and further increased to five days in 2024, primarily due to the increased procurement of servers used for text recognition services. Our inventories turnover days remained relatively stable at five days in 2024 and six days in the three months ended March 31, 2025.

As of April 30, 2025, RMB0.2 million, or 7.7% of our inventories as of March 31, 2025, had been used, consumed or sold.

Trade and Other Receivables

The following table sets out a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	99,269	99,851	115,794	135,280
Less: loss allowance on trade receivables	(7,133)	(9,705)	(10,799)	(11,907)
	92,136	90,146	104,995	123,373
Bills receivables	278	117	–	75
Less: loss allowance on bills receivables	–	(4)	–	–
Trade and bills receivables, net	**92,414**	**90,259**	**104,995**	**123,448**
Value added tax ("VAT") recoverable	10,681	8,692	17,750	15,493
Taxation recoverable	911	–	994	994
Capitalization of [**REDACTED**]	13,122	11,682	–	–
Other deposit and receivable	5,425	7,358	6,795	6,982
Less: loss allowance on other receivables	(40)	(60)	(74)	(74)
	30,099	27,672	25,465	23,395
Trade and other receivables, net	122,513	117,931	130,460	146,843

Our trade and other receivables decreased by 3.8% from RMB122.5 million as of December 31, 2022 to RMB117.9 million as of December 31, 2023, and increased by 10.7% to RMB130.5 million as of December 31, 2024, and further increased by 12.5% to RMB146.8 million as of March 31, 2025. In particular, our trade and bills receivables remained relatively stable at RMB92.4 million as of December 31, 2022 and RMB90.3 million as of December 31, 2023. Our trade and bills receivables increased from RMB90.3 million as of December 31, 2023 to RMB105.0 million as of December 31, 2024, further increased to RMB123.4 million as of March 31, 2025, in line with our business growth.

We established a credit risk management policy under which we performed credit evaluations based on customers' past history of making payments when due and current ability to pay, as well as information customers' specific information and economic environment in which the customer operates. We measure loss allowances for trade receivables at an amount equal to lifetime expected credit losses (ECLs), which is calculated using a provision matrix. For other receivables, we measure the loss allowance based on 12-month ECLs as there was no significant increase in credit risk since initial recognition during the Track Record Period. See Note 27 to the Accountants' Report in Appendix I to this document.

The following table sets forth the aging analysis of the trade and bills receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Within 1 year	89,397	85,838	99,565	118,310
After 1 year but within 2 years	2,547	4,126	5,099	4,709
After 2 years but within 3 years	470	295	331	429
Over 3 years	–	–	–	–
Total	**92,414**	**90,259**	**104,995**	**123,448**

The following table sets out the number of our trade receivables turnover days for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2022	**2023**	**2024**	**2025**
Trade receivables turnover days[1]	32	31	28	30

Note:

(1) Trade receivables turnover days for a period equals the average of the opening and closing trade receivables and contract assets divided by revenue for the same period and multiplied by 360 days for a full-year period or 90 days for a three-month period.

Our trade receivables turnover days remained relatively stable at 32 days, 31 days, 28 days and 30 days in 2022, 2023, 2024 and the three months ended March 31, 2025.

As of April 30, 2025, RMB76.1 million, or 56.2% of our trade receivables as of March 31, 2025, had been settled.

Financial Assets Measured at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss comprised wealth management products. We adopted level 3 measurement for the fair value of our wealth management products, as the fair value changes are influenced by significant unobservable inputs. As of December 31, 2022, 2023 and 2024 and March 31, 2025, wealth management products carried an interest rate ranging from 2.6% to 3.6%, 2.6% to 3.55%, 1.35% to 3.55%, and 1.9% to 3.45%, respectively. See Note 27 of the Accountants' Report in the Appendix I to the document. The following table sets forth our financial assets at fair value through profit or loss as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Financial assets at FVPL				
– Wealth management products . . .	531,076	1,111,248	1,544,658	1,672,198

The financial assets at fair value through profit or loss significantly increased by 109.2% from RMB531.1 million as of December 31, 2022 to RMB1,111.2 million as of December 31, 2023, primarily due to our strategic investments on wealth management products to optimize returns on our cash balances. The financial assets at fair value through profit or loss increased by 39.0% from RMB1,111.2 million as of December 31, 2023 to RMB1,544.7 million as of December 31, 2024, primarily due to our continued prudent investment as approved by board and shareholders' meeting in wealth management products issued by reputable banks using the temporarily unused proceeds from the IPO on STAR Market of the Shanghai Stock Exchange. The financial assets at fair value through profit or loss increased by 8.3% from RMB1,544.7 million as of December 31, 2024 to RMB1,672.2 million as of March 31, 2025, primarily representing our ongoing investments in wealth management products.

Trade and Other Payables

Our trade and other payables primarily included (i) trade payables, (ii) accrued payroll and benefits, and (iii) other tax payables. Our trade and other payables increased by 17.9% from RMB168.9 million as of December 31, 2022 to RMB199.2 million as of December 31, 2023, mainly due to higher promotion expenses and SMS login fees incurred by our business expansion, as well as additional accrued payroll and benefits to support our growing workforce. Our trade and other payables increased by 22.7% from RMB199.2 million as of December 31, 2023 to RMB244.4 million as of December 31, 2024, primarily due to the increased trade payables for our intensified promotion efforts and increased procurement of cloud services in line with business expansion, as well as the increased accrued payroll and benefits for our expanding workforce. Our trade and other payables increased by 7.1% from RMB244.4 million as of December 31, 2024 to RMB261.7 million as of March 31, 2025, mainly attributable to increased trade payables for our ongoing market promotions and increased procurement of cloud services in line with business expansion.

The following table sets out a breakdown of our trade and other payables and accruals as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Trade payables	44,244	55,760	62,525	77,359
Accrued Payroll and Benefits	114,007	130,919	166,540	169,217
Other tax payables	9,128	11,192	12,745	12,603
Other payables and accrual expenses	1,490	1,372	2,607	2,498
Total	**168,869**	**199,243**	**244,417**	**261,677**

The following table sets out an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB in thousands)			
Within 1 year	43,928	55,247	61,734	76,528
After 1 year but within 2 years	316	254	791	831
After 2 years but within 3 years	–	259	–	–
Over 3 year	–	–	–	–
Total	**44,244**	**55,760**	**62,525**	**77,359**

The following table sets out the number of our trade payables turnover days for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
Trade payables turnover days[(1)] . . .	82	96	94	111

Note:

(1) Trade payables turnover days for a period equals the average of the opening and closing trade payables divided by cost of revenue for the same period and multiplied by 360 days for a full-year period or 90 days for a three-month period.

Our trade payables turnover days increased from 82 days in 2022 to 96 days in 2023, mainly due to the longer credit term granted by our suppliers. Our trade payable days remained relatively stable at 96 days and 94 days in 2023 and 2024, and increased to 111 days in the three months ended March 31, 2025, mainly due to the favorable credit term granted by certain suppliers.

As of April 30, 2025, RMB61.4 million, or 79.3% of our trade payables as of December 31, 2024, had been settled.

Contract Liabilities

Contract liabilities represent advance payments from individual users and enterprise customers before the related services are to be provided or accepted. Our contract liabilities increased by 19.1% from RMB444.1 million as of December 31, 2022 to RMB529.0 million as of December 31, 2023 in line with our business expansion. Our contract liabilities decreased by 1.6% from RMB529.0 million as of December 31, 2023 to RMB520.7 million as of December 31, 2024, and further decreased by 4.1% to RMB499.5 million as of March 31, 2025, mainly because we introduced a new semi-annual subscription plan designed to reduce individual users' upfront payment for individual user products, catering to their preferred payment methods and enhancing user experience.

Non-Current Assets and Liabilities

The following table sets forth a breakdown of our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	21,156	54,396	145,844	130,987
Right-of-use assets	6,325	65,818	50,593	38,949
Intangible assets	3,405	2,701	48,153	57,776
Equity securities designated at fair value through other comprehensive income ("FVOCI")(1)	21,718	19,984	7,009	7,009
Contract assets	203	59	161	89
Prepayments	3,318	22,313	171	1,318
Deferred tax assets	13,575	23,794	35,583	38,068
Total non-current assets	**69,700**	**189,065**	**287,514**	**274,196**
Non-current liabilities				
Lease liabilities	4,539	47,513	32,196	23,704
Deferred tax liabilities	1,529	3,536	4,274	4,071
Deferred income	149	758	871	784
Total non-current liabilities	**6,217**	**51,807**	**37,341**	**28,559**

Note

(1) The equity securities designated at FVOCI represent investment in unlisted equity interest of entities incorporated in the PRC and the equity interest in one company that is listed on the National Equities Exchange and Quotation. We designated these investments at FVOCI as the investment is held for strategic purposes. We did not receive any dividends on this investment during the Track Record Period. See Note 15 of the Accountants' Report of the Appendix 1.

Property and Equipment

Our property and equipment mainly consisted of our (i) electronic equipment, (ii) furniture, (iii) servers, (iv) vehicles, and (v) leasehold improvements. Our property and equipment increased by 156.6% from RMB21.2 million as of December 31, 2022 to RMB54.4 million as of December 31, 2023, mainly due to our increased procurement of servers to support our R&D initiatives. Our property and equipment increased by 168.0% from RMB54.4 million as of December 31, 2023 to RMB145.8 million as of December 31, 2024, mainly due to our increased procurement of servers for our continuous R&D efforts. Our property and equipment decreased by 10.2% from RMB145.8 million as of December 31, 2024 to RMB131.0 million as of March 31, 2025, mainly due to depreciation of our servers.

Right-of-use Assets

Our right-of-use assets were mainly the leases for our office premises. We recorded right-of-use assets of RMB6.3 million, RMB65.8 million, RMB50.6 million and RMB38.9 million as of December 31, 2022, 2023, 2024 and March 31, 2025, respectively.

Intangible Assets

Our intangible assets mainly consisted of (i) software and (ii) development costs of commercial data resources. Our intangible assets decreased by 20.6% from RMB3.4 million as of December 31, 2022 to RMB2.7 million as of December 31, 2023, mainly due to the amortization of our software. Our intangible assets increased by 1,685.2% from RMB2.7 million as of December 31, 2023 to RMB48.2 million as of December 31, 2024, primarily because we began capitalizing certain development expenditure on commercial data resources. Our intangible assets increased by 19.9% from RMB48.2 million as of December 31, 2024 to RMB57.8 million as of March 31, 2025, primarily due to the continued capitalization of certain commercial data resources.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods/as of the dates indicated:

	Year ended/as of December 31,			Three months ended/ as of March 31,	
	2022	2023	2024	2024	2025
Revenue growth (%)	N/A	20.0%	21.2%	N/A	20.9%
Gross profit growth (%)	N/A	20.8%	21.2%	N/A	22.5%
Gross profit margin (%)	83.7%	84.3%	84.3%	84.5%	85.6%
Net profit margin (%)	28.7%	27.2%	27.9%	30.1%	29.4%
Quick ratio(1)	2.0	2.1	4.0	N/A	4.2
Current ratio(2)	2.0	2.2	4.0	N/A	4.2

Notes:

(1) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

(2) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

See "— Major Components of Our Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we had funded our cash requirements principally from cash generated from operations and proceeds from issue of ordinary shares through initial public offering on the STAR Market of Shanghai Stock Exchange. As of December 31, 2022, 2023, 2024 and March 31, 2025, we had cash and cash equivalents of RMB531.3 million, RMB331.3 million, RMB1,390.4 million and RMB1,192.1 million respectively.

Cash Flow

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

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(unaudited)	
	(RMB in thousands)				
Net cash generated from operating activities	376,692	451,146	455,652	93,025	111,807
Net cash (used in)/generated from investing activities	(455,514)	(634,761)	(661,562)	165,171	(305,669)
Net cash (used in)/generated from financing activities	(17,906)	(21,035)	1,259,737	(4,667)	(4,050)
Net (decrease)/increase in cash and cash equivalents	(96,728)	(204,650)	1,053,827	253,529	(197,912)
Cash and cash equivalents at the end of the year/period	531,275	331,262	1,390,355	585,200	1,192,076

Net Cash Generated from Operating Activities

In the three months ended March 31, 2025, the net cash generated from operating activities was RMB111.8 million, which was primarily attributable to our profit before income tax of RMB124.7 million, as adjusted by (i) the add-back of non-cash items, primarily comprising the depreciation of RMB20.9 million, partially offset by changes in fair value of financial assets measured at fair value through profit or loss of RMB7.7 million; and (ii) changes in working capital, which primarily comprised an increase in trade and other payables of RMB18.2 million, partially offset by an increase in trade and other receivables of RMB17.4 million and a decrease in contract liabilities of RMB21.1 million.

In 2024, the net cash generated from operating activities was RMB455.7 million, which was primarily attributable to our profit before income tax of RMB420.6 million, as adjusted by (i) the add-back of non-cash items, primarily comprising the depreciation of RMB66.8 million, partially offset by changes in fair value of financial assets measured at fair value through profit or loss of RMB24.0 million; and (ii) changes in working capital, which primarily comprised an increase in trade and other payables of RMB42.9 million, partially offset by an increase in trade and other receivables of RMB13.9 million and a decrease in contract liabilities of RMB8.3 million.

In 2023, the net cash generated from operating activities was RMB451.1 million, which was primarily attributable to our profit before income tax of RMB322.1 million, as adjusted by (i) the add-back of non-cash items, primarily comprising the depreciation of RMB33.0 million, partially offset by changes in fair value of financial assets measured at fair value through profit or loss of RMB20.0 million; and (ii) changes in working capital, which primarily comprised an increase in contract liabilities of RMB84.9 million and an increase in trade and other payables of RMB36.2 million, partially offset by an increase in inventories of RMB2.1 million and an increase in prepayments of RMB3.2 million.

In 2022, the net cash generated from operating activities was RMB376.7 million, which was primarily attributable to our profit before income tax of RMB279.5 million, as adjusted by (i) the add-back of non-cash items, primarily comprising the depreciation of RMB28.6 million, partially offset by the foreign exchange gains of RMB25.8 million; and (ii) changes in working capital, which primarily comprised an increase in contract liabilities of RMB83.8 million and an increase in trade and other payables of RMB34.4 million, partially offset by an increase in trade and other receivables of RMB25.2 million.

Net Cash Used in Investing Activities

In the three months ended March 31, 2025, net cash used in investing activities was RMB305.7 million, which was primarily attributable to the payment for purchase of wealth management products of RMB1,810.2 million, an increase in time deposits of RMB172.2 million, partially offset by proceeds from redemption of wealth management products of RMB1,691.2 million.

In 2024, net cash used in investing activities was RMB661.6 million, which was primarily attributable to the payment for purchase of wealth management products of RMB1,520.0 million and the payment for the acquisition of property and equipment and intangible assets of RMB174.4 million, partially offset by the proceeds from redemption of wealth management products of RMB1,112.4 million.

In 2023, net cash used in investing activities was RMB634.8 million, which was primarily attributable to the payment for purchase of wealth management products of RMB1,205.0 million, partially offset by the proceeds from redemption of wealth management products of RMB646.1 million.

In 2022, net cash used in investing activities was RMB455.5 million, which was primarily attributable to the payment for purchase of wealth management products of RMB787.0 million, partially offset by the proceeds from redemption of wealth management products of RMB334.1 million.

Net Cash (Used in)/Generated from Financing Activities

In the three months ended March 31, 2025, net cash used in financing activities was RMB4.1 million, which was primarily attributable to the payment of the capital element of lease rentals of RMB3.5 million and the payment of interest element of lease rentals of RMB0.6 million.

In 2024, net cash generated from financing activities was RMB1,259.7 million, which was primarily attributable to proceeds from issue of ordinary shares through initial public offering on the STAR Market of Shanghai Stock Exchange of RMB1,299.8 million, partially offset by the payment for capitalization of listing expenses of RMB23.9 million, payment for the capital element of lease rentals of RMB13.5 million and payment for the interest element of lease rentals of RMB2.7 million.

In 2023, net cash used in financing activities was RMB21.0 million, which was primarily attributable to the payment of the capital element of lease rentals of RMB14.8 million, payment of interest element of lease rentals of RMB3.0 million and payment for capitalization of listing expenses of RMB3.2 million.

In 2022, net cash used in financing activities was RMB17.9 million, which was primarily attributable to the payment of the capital element of lease rentals of RMB14.3 million, payment for the interest element of lease rentals of RMB0.5 million and payment for capitalization of listing expenses of RMB3.1 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness mainly consisted of lease liabilities, which were mainly our leases for our office premises. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, we did not have plans for other material external debt financing.

Lease Liabilities

The following table sets out our lease liabilities in absolute amounts as of the dates indicated:

	As of December 31,			As of March 31,	As of April 30,
	2022	**2023**	**2024**	**2025**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Lease liabilities					
Current	1,870	16,633	18,706	15,662	18,129
Non-current	4,539	47,513	32,196	23,704	28,993
Total	**6,409**	**64,146**	**50,902**	**39,366**	**47,122**

Our lease liabilities increased from RMB6.4 million as of December 31, 2022 to RMB64.1 million as of December 31, 2023. Our lease liabilities decreased from RMB64.1 million as of December 31, 2023 to RMB50.9 million as of December 31, 2024, and further decreased to RMB39.4 million as of March 31, 2025. In addition, our lease liabilities increased from RMB39.4 million as of March 31, 2025 to RMB47.1 million as of April 30, 2025. These changes were primarily caused by changes in leases in accordance with our operation plans.

Indebtedness Statement

Except as disclosed above, as of April 30, 2025, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since April 30, 2025 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023, 2024 and March 31, 2025 we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

We have no material capital commitment as of December 31, 2022, 2023, 2024 and March 31, 2025.

CAPITAL EXPENDITURES

Our capital expenditures were RMB14.7 million, RMB77.2 million, RMB174.4 million and RMB14.6 million in 2022, 2023, 2024 and the three months ended March 31, 2025, respectively, consisting of our acquisitions of property and equipment and intangible assets. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow and net [**REDACTED**] received from the [**REDACTED**]. See "Future Plans and Use of [**REDACTED**]." We may reallocate the fund to be utilized on capital expenditure based on our ongoing business needs.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 30 of Appendix I to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of our business. Our exposure to these risks and the financial risk management policies and practices used by us to manage these risks are described below.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables, other receivables and contract assets. Our exposure to credit risk arising from cash and cash equivalents and restricted deposits is limited because the counterparties are reputable banks which we consider to represent low credit risk. We do not provide any other guarantees which would expose us to credit risk.

Liquidity Risk

The management are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Interest Rate Risk

Our interest-bearing financial instruments at variable rates are the cash and cash equivalents as of December 31, 2022, 2023, 2024 and March 31, 2025. Our interest-bearing financial instruments at fixed interest rates are lease liabilities as of December 31, 2022, 2023, 2024 and March 31, 2025 that are measured at amortized cost.

Our income and operating cash flows are substantially independent of exchanges in market interest rates and we have no significant interest-bearing assets except for cash and cash equivalents.

Currency Risk

We are exposed to currency risk primarily through sales and purchases which give rise to cash and cash equivalents, restricted deposits and time deposits, trade and other receivables, prepayments, trade and other payables and contract liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily USD.

DIVIDEND

No dividends had been declared or paid by us during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. Pursuant to a shareholder resolution on May 9, 2025, we decided to pay a dividend of RMB2 per share in cash to all existing shareholders and carry out an issue of shares on the basis of 4 capitalization shares for every 10 shares in issue by way of capitalization of capital reserve. We had declared the dividend on May 20, 2025 and paid the dividend on May 26, 2025.

According to our articles of association, in the absence of significant investment plans or substantial cash outflows, we shall distribute, by way of cash dividends, not less than 20% of our distributable profits for each financial year. Furthermore, the aggregate cash dividends distributed over any consecutive three-year period shall, in principle, amount to no less than 30% of the average annual distributable profits for such period. In the event that we achieve sustained and stable growth in net profits, our Board may, at its discretion, propose an increase in the cash dividend ratio or declare stock dividends to enhance shareholder returns. In exceptional circumstances where the dividend pay-out thresholds cannot be met, our Board of Directors will provide a detailed explanation to the shareholders' meeting.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the available banking facilities and the estimated net [**REDACTED**] from the [**REDACTED**], our directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of March 31, 2025, we had retained earnings of RMB1,181.4 million.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. During the Track Record Period, we did not incur any [**REDACTED**]. We expect to incur [**REDACTED**] of approximately HK$[**REDACTED**] (based on the mid-point of the indicative [**REDACTED**] range and assuming the [**REDACTED**] is not exercised), of which approximately HK$[**REDACTED**] will be directly attributable to the issue of our Shares and capitalized, and the remaining HK$[**REDACTED**] will be expensed in our statements of profit or loss. Our Directors do not expect such expenses to materially impact our results of operations in 2025.

UNAUDITED [**REDACTED**] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since March 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the midpoint of the stated range of the [**REDACTED**] of between HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**].

We intend to use the net [**REDACTED**] we expect to receive from the [**REDACTED**] for the purposes and in the amounts set out below:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for enhancing our R&D capabilities in the next three to four years, including:

  ○ ***Development of AI Frontier Fundamental Technology***. Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the upgrades and development of our AI fundamental technologies, including frontier AI core technologies, text intelligence technology empowered by multimodal LLM, AI agent technology and high-quality data foundation:

    (1) Fundamental R&D for AI Core Technologies. We plan to invest in the fundamental R&D of advanced AI technologies and text intelligence technology empowered by multimodal LLM that underpin the development of AGI. Specifically, we plan to build more efficient and versatile AI models through advanced pre-training, multimodal reasoning and edge-device multimodal training, post-training based on reinforcement learning, AIGC-based image processing and editing technologies, as well as training-on-inference and edge-device training technologies. This synergy of AI technologies for visual and textual inputs can enhance our text recognition capabilities, facilitating the development of text intelligence technology.

    (2) AI Agent. Certain [**REDACTED**] will be allocated to the R&D of AI agent and its applications. We plan to explore training methods for AI agent's multimodal foundation models and advanced AI reasoning technologies, developing AI agent with more autonomous reasoning and decision-making capabilities. Additionally, we intend to explore application scenarios for AI agent, unlocking AI agent's business potential.

(3) High-quality Data Foundation. We intend to strengthen our capabilities data governance, data fusion and data insights, further solidifying our data foundation.

○ ***Product Development.*** Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for the R&D of our individual user AI products and enterprise AI products:

(1) Individual User AI Products Development. We plan to invest in the iteration of our individual user product portfolio, expanding into new functions, regions and products. Leveraging the text intelligence technologies empowered by multimodal LLM, we plan to introduce new features to our individual user products, making them versatile AI agents capable of responding to individual users' diverse requests and fitting to users of different geographical regions.

(2) Enterprise AI Products Development. Leveraging our world-leading text intelligence technology empowered by multimodal LLM and extensive cross-industry expertise, we aim to strengthen the standardization capabilities of our enterprise AI products and develop enterprise products in key industries such as manufacturing, banking, securities, insurance, logistics and energy. We also seek to seize opportunities arising from China's digital transformation and the rapid expansion of overseas markets by driving digital and intelligent transformation in areas such as fintech and digital retail, addressing pain points such as tax reporting management and financial document recognition and analysis for overseas customers. Through this development strategy, we can replicate our products' standardization capabilities across a wider range of business scenarios.

• Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for our business expansion in the next three years, including:

○ ***Global Operation Team and Marketing Network for Individual User Products.*** Approximately [**REDACTED**]%, or HK$[**REDACTED**] will be allocated to expand our global sales and marketing network for individual user products. We plan to localize operations of *CamScanner* to provide tailored user experience in key overseas markets, where we expect to acquire new users and increase paying users.

○ ***Global Sales and Service Network for Enterprise Products.*** Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated to establish a global sales and service network for enterprise products. We plan to expand the application scenarios of our enterprise products, focusing on customers in key industries such as manufacturing, banking, securities, insurance, logistics and energy to capture emerging market opportunities driven by AI-driven industry transformations. Additionally, we aim to launch enterprise products in overseas markets by addressing market-specific pain points in scenarios such as invoice recognition and analysis. To ensure high-quality customer service across diverse markets, we also plan to build a global sales team for our enterprise products.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for potential strategic investments, merger and acquisition opportunities to facilitate our product upgrades, enhance our core technological capabilities and support our business expansion in the next three to five years. Specifically, we plan to select domestic and overseas targets with cutting-edge AI technologies to complement our AI product development and R&D for AI fundamental technologies. In addition, we aim to select targets with extensive user base and prominent brand recognition to synergize with our value proposition, thereby broadening the market reach and accelerating the commercialization of our AI technologies.

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

If the [**REDACTED**] is set at the high-end of the [**REDACTED**] range or the low-end of the [**REDACTED**] range, the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**] and HK$[**REDACTED**], respectively. To the extent our net [**REDACTED**] from the [**REDACTED**] are either more or less than expected, we will increase or decrease the intended use of our net [**REDACTED**] for the above purposes on a pro rata basis.

If the [**REDACTED**] is fully exercised, our Company will receive additional net [**REDACTED**] of approximately HK$[**REDACTED**] for [**REDACTED**] Shares to be allotted and issued upon the full exercise of the [**REDACTED**] based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range, and after deducting the [**REDACTED**] fees and [**REDACTED**] payable by our Company. The additional amount raised will be applied to the above areas of use of [**REDACTED**] on a pro-rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].

[**REDACTED**]

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[REDACTED]

The following is the text of a report set out on pages I-1 to I-69, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF INTSIG INFORMATION CO., LTD.* 上海合合信息科技股份有限公司 AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of **Intsig Information Co., Ltd.***上海合合信息科技股份有限公司 (the "Company") and its subsidiaries (together, the "Group") set out on pages I-5 to I-69, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 31 March 2025, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025 (the "Track Record Periods"), and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-5 to I-69 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the [**REDACTED**] of shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

* *For identification purpose only*

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on the Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2022, 2023, 2024 and 31 March 2025 and of the Group's financial performance and cash flows for the Track Record Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flows for the three months ended 31 March 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-5 have been made.

Dividends

We refer to Note 26(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Periods.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[Date]

Historical financial information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Periods, on which the Historical Financial Information is based, were audited by KPMG in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in RMB)

		Year ended 31 December			Three months ended 31 March	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	*4*	988,462	1,186,524	1,438,143	326,614	394,996
Cost of revenue		(161,151)	(186,833)	(226,105)	(50,700)	(56,880)
Gross Profit		827,311	999,691	1,212,038	275,914	338,116
Other revenue	*5(a)*	37,631	39,116	86,532	10,357	3,476
Other net income	*5(b)*	26,725	7,378	8,829	2,070	1,365
Research and development expenses		(279,902)	(323,377)	(390,473)	(83,637)	(104,887)
Selling and marketing expenses		(268,783)	(335,046)	(429,088)	(86,256)	(103,057)
Administrative and other operating expenses		(70,877)	(89,834)	(101,344)	(21,057)	(22,619)
Impairment loss on trade and other receivables and contract assets		(2,261)	(2,926)	(2,472)	481	(1,069)
Profit from operations		269,844	295,002	384,022	97,872	111,325
Net finance income	*6(a)*	6,855	7,083	12,552	621	5,641
Changes in fair value of financial assets measured at fair value through profit or loss	*16*	2,646	20,025	23,994	5,837	7,706
Share of gain of an associate		192	–	–	–	–
Profit before taxation	*6*	279,537	322,110	420,568	104,330	124,672
Income tax	*7*	4,181	1,071	(20,038)	(6,032)	(8,527)
Profit for the year/period		283,718	323,181	400,530	98,298	116,145
Attributable to						
Equity shareholders of the Company		283,721	323,181	400,530	98,298	116,145
Non-controlling interests		(3)	–	–	–	–
Profit for the year/period		283,718	323,181	400,530	98,298	116,145
Earnings per share						
Basic and diluted (RMB)	*10*	2.70	3.08	3.52	0.94	0.83

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

		Year ended 31 December			Three months ended 31 March	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Profit for the year/period		283,718	323,181	400,530	98,298	116,145
Other comprehensive income for the year/period (after tax and reclassification adjustments)						
Items that will not be reclassified to profit or loss:						
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	*15*	292	(1,474)	(11,029)	(61)	–
		292	(1,474)	(11,029)	(61)	–
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of: – financial statements of overseas subsidiaries		842	500	(84)	(230)	75
		842	500	(84)	(230)	75
Other comprehensive income for the year/period		1,134	(974)	(11,113)	(291)	75
Total comprehensive income for the year/period		284,852	322,207	389,417	98,007	116,220
Attributable to:						
Equity shareholders of the Company		284,855	322,207	389,417	98,007	116,220
Non-controlling interests		(3)	–	–	–	–
Total comprehensive income for the year/period		284,852	322,207	389,417	98,007	116,220

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

		As at 31 December			As at 31 March
	Note	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property and equipment	*11*	21,156	54,396	145,844	130,987
Right-of-use assets	*12*	6,325	65,818	50,593	38,949
Intangible assets	*13*	3,405	2,701	48,153	57,776
Equity securities designated at fair value through other comprehensive income (FVOCI)	*15*	21,718	19,984	7,009	7,009
Contract assets	*22(a)*	203	59	161	89
Prepayments	*18*	3,318	22,313	171	1,318
Deferred tax assets	*24(b)*	13,575	23,794	35,583	38,068
		69,700	189,065	287,514	274,196
Current assets					
Inventories	*17*	386	2,473	3,905	3,140
Contract assets	*22(a)*	2,907	2,770	4,497	3,976
Trade and other receivables	*18*	122,513	117,931	130,460	146,843
Prepayments	*18*	17,870	21,060	22,779	19,912
Restricted deposits	*20(a)*	21,574	21,349	24,499	26,830
Time deposits	*20(b)*	–	–	79,791	251,955
Financial assets measured at fair value through profit or loss (FVPL)	*16*	531,076	1,111,248	1,544,658	1,672,198
Cash and cash equivalents	*19(a)*	531,275	331,262	1,390,355	1,192,076
		1,227,601	1,608,093	3,200,944	3,316,930
Current liabilities					
Trade and other payables	*21*	168,869	199,243	244,417	261,677
Contract liabilities	*22(b)*	444,114	529,002	520,661	499,545
Lease liabilities	*23*	1,870	16,633	18,706	15,662
Taxation payable	*24(a)*	122	2,157	9,760	11,890
		614,975	747,035	793,544	788,774
Net current assets		612,626	861,058	2,407,400	2,528,156
Total assets less current liabilities		682,326	1,050,123	2,694,914	2,802,352

The accompanying notes form part of the Historical Financial Information.

		As at 31 December			As at 31 March
	Note	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities					
Lease liabilities	*23*	4,539	47,513	32,196	23,704
Deferred tax liabilities	*24(b)*	1,529	3,536	4,274	4,071
Deferred income	*25*	149	758	871	784
		6,217	51,807	37,341	28,559
NET ASSETS		676,109	998,316	2,657,573	2,773,793
CAPITAL AND RESERVES					
Share capital	*26(c)*	75,000	75,000	100,000	100,000
Reserves		601,115	923,322	2,557,579	2,673,799
Total equity attributable to equity shareholders of the Company		676,115	998,322	2,657,579	2,773,799
Non-controlling interests		(6)	(6)	(6)	(6)
TOTAL EQUITY		676,109	998,316	2,657,573	2,773,793

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		As at 31 December			As at 31 March
	Note	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property and equipment	*11*	15,765	48,462	139,617	124,569
Right-of-use assets	*12*	–	24,784	18,480	16,904
Intangible assets	*13*	3,336	2,640	2,420	2,276
Interests in subsidiaries	*14*	106,724	112,920	196,920	322,420
Equity securities designated at fair value through other comprehensive income (FVOCI)	*15*	21,718	19,984	7,009	7,009
Contract assets	*22(a)*	29	10	–	3
Prepayments	*18*	850	22,311	–	562
Deferred tax assets	*24(b)*	766	1,159	2,626	2,725
		149,188	232,270	367,072	476,468
Current assets					
Inventories	*17*	118	394	838	139
Contract assets	*22(a)*	897	1,009	1,930	1,866
Trade and other receivables	*18*	256,841	268,273	350,051	430,142
Prepayments	*18*	5,930	9,682	11,924	9,390
Restricted deposits	*20(a)*	21,101	21,317	23,941	26,019
Time deposits	*20(b)*	–	–	50,319	222,524
Financial assets measured at fair value through profit or loss (FVPL)	*16*	413,476	811,275	998,566	1,114,154
Cash and cash equivalents	*19(a)*	288,813	117,614	1,187,393	809,405
		987,176	1,229,564	2,624,962	2,613,639
Current liabilities					
Trade and other payables	*21*	79,617	100,069	105,194	109,163
Contract liabilities	*22(b)*	171,153	176,052	206,848	214,952
Lease liabilities	*23*	–	6,031	6,974	7,014
Taxation payable		–	1,972	–	6,410
		250,770	284,124	319,016	337,539
Net current assets		736,406	945,440	2,305,946	2,276,100
Total assets less current liabilities		885,594	1,177,710	2,673,018	2,752,568
Non-current liabilities					
Lease liabilities	*23*	–	18,186	11,792	10,172
Deferred tax liabilities	*24(b)*	1,469	3,238	3,665	3,274
Deferred income	*25*	81	758	871	784
		1,550	22,182	16,328	14,230
NET ASSETS		884,044	1,155,528	2,656,690	2,738,338
CAPITAL AND RESERVES					
Share capital	*26(c)*	75,000	75,000	100,000	100,000
Reserves		809,044	1,080,528	2,556,690	2,638,338
TOTAL EQUITY		884,044	1,155,528	2,656,690	2,738,338

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Note	Attributable to equity shareholders of the Company								
		Share capital	Capital reserve	Exchange reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022		75,000	268,589	(55)	34,092	616	73,701	451,943	(3)	451,940
Changes in equity for 2022										
Profit/(loss) for the year		–	–	–	–	–	283,721	283,721	(3)	283,718
Other comprehensive income for the year		–	–	842	–	292	–	1,134	–	1,134
Total comprehensive income for the year		–	–	842	–	292	283,721	284,855	(3)	284,852
Appropriation for surplus reserve		–	–	–	3,408	–	(3,408)	–	–	–
Disposal of interests in an associate		–	(59,884)	–	–	–	–	(59,884)	–	(59,884)
Others		–	(799)	–	–	–	–	(799)	–	(799)
Balance at 31 December 2022 and 1 January 2023		75,000	207,906	787	37,500	908	354,014	676,115	(6)	676,109
Changes in equity for 2023										
Profit for the year		–	–	–	–	–	323,181	323,181	–	323,181
Other comprehensive income for the year		–	–	500	–	(1,474)	–	(974)	–	(974)
Total comprehensive income for the year		–	–	500	–	(1,474)	323,181	322,207	–	322,207
Balance at 31 December 2023		75,000	207,906	1,287	37,500	(566)	677,195	998,322	(6)	998,316

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Company								
		Share capital	Capital reserve	Exchange reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 31 December 2023 and 1 January 2024		75,000	207,906	1,287	37,500	(566)	677,195	998,322	(6)	998,316
Changes in equity for 2024										
Profit for the year		–	–	–	–	–	400,530	400,530	–	400,530
Other comprehensive income		–	–	(84)	–	(11,029)	–	(11,113)	–	(11,113)
Total comprehensive income for the year		–	–	(84)	–	(11,029)	400,530	389,417	–	389,417
Issue of ordinary shares	26(c)	25,000	1,244,840	–	–	–	–	1,269,840	–	1,269,840
Appropriation for surplus reserve		–	–	–	12,500	–	(12,500)	–	–	–
Balance at 31 December 2024 and 1 January 2025		100,000	1,452,746	1,203	50,000	(11,595)	1,065,225	2,657,579	(6)	2,657,573
Profit for the period		–	–	–	–	–	116,145	116,145	–	116,145
Other comprehensive income		–	–	75	–	–	–	75	–	75
Total comprehensive income for the period		–	–	75	–	–	116,145	116,220	–	116,220
Balance at 31 March 2025		100,000	1,452,746	1,278	50,000	(11,595)	1,181,370	2,773,799	(6)	2,773,793

The accompanying notes form part of the Historical Financial Information.

		Attributable to equity shareholders of the Company								
	Note	**Share capital**	**Capital reserve**	**Exchange reserve**	**PRC statutory reserves**	**Fair value reserve (non-recycling)**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
		RMB'000	*RMB'000*	*RMB'000*	*RMB000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(unaudited)										
Balance at 31 December 2023 and 1 January 2024		75,000	207,906	1,287	37,500	(566)	677,195	998,322	(6)	998,316
Profit for the period		–	–	–	–	–	98,298	98,298	–	98,298
Other comprehensive income		–	–	(230)	–	(61)	–	(291)	–	(291)
Total comprehensive income for the period		–	–	(230)	–	(61)	98,298	98,007	–	98,007
Balance at 31 March 2024		75,000	207,906	1,057	37,500	(627)	775,493	1,096,329	(6)	1,096,323

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

		Years ended 31 December			Three months ended 31 March	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Operating activities						
Cash generated from operations	*19(b)*	378,749	455,081	478,186	96,777	120,892
Tax paid	*24(a)*	(2,057)	(3,935)	(22,534)	(3,752)	(9,085)
Net cash generated from operating activities		376,692	451,146	455,652	93,025	111,807
Investing activities						
Payment for the acquisition of property and equipment and intangible assets		(14,683)	(77,195)	(174,409)	(29,083)	(14,601)
Proceeds from disposal of property and equipment		70	1,327	254	–	25
Proceeds from disposal of investment in equity securities designated at FVOCI		12,000	–	–	–	–
Increase in time deposits		–	–	(79,791)	–	(172,164)
Payment for purchase of wealth management products		(787,021)	(1,205,000)	(1,520,000)	(230,000)	(1,810,175)
Proceeds from redemption of wealth management products		334,120	646,107	1,112,384	424,254	1,691,246
Net cash (used in)/generated from investing activities		(455,514)	(634,761)	(661,562)	165,171	(305,669)

The accompanying notes form part of the Historical Financial Information.

		Years ended 31 December			Three months ended 31 March	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Financing activities						
Capital element of lease rentals paid	*19(c)*	(14,345)	(14,794)	(13,466)	(135)	(3,488)
Interest element of lease rentals paid	*19(c)*	(461)	(3,006)	(2,677)	(736)	(562)
Payment for capitalisation of listing expenses		(3,100)	(3,235)	(23,948)	(3,796)	–
Proceeds from issue of ordinary shares through initial public offering		–	–	1,299,828	–	–
Net cash (used in)/generated from financing activities		(17,906)	(21,035)	1,259,737	(4,667)	(4,050)
Net (decrease)/increase in cash and cash equivalents		(96,728)	(204,650)	1,053,827	253,529	(197,912)
Cash and cash equivalents at the beginning of the year/period	*19(a)*	610,881	531,275	331,262	331,262	1,390,355
Effect of foreign exchange rate changes		17,122	4,637	5,266	409	(367)
Cash and cash equivalents at the end of the year/period	*19(a)*	531,275	331,262	1,390,355	585,200	1,192,076

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Intsig Information Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 8 August 2006 as a limited liability company under the Company Law of the PRC. On 18 June 2020, the Company was converted from a limited liability company into a joint stock limited liability company. On 26 September 2024, the Company's A shares were listed on the STAR Market of the Shanghai Stock Exchange under the stock code 688615.

The Company and its subsidiaries (collectively referred to as "the Group") are artificial intelligence ("AI") enterprises that provide AI products for imaged-based intelligent text processing, business networking and commercial data intelligence and higher-quality services to global individual users and enterprise customers across diverse industries. The Group's principal operations are in the PRC.

The financial statement of the Company and the subsidiaries of the Group for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated and/or established. The statutory financial statements of the Company for the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with the Accounting Standard for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Zhonghua Certified Public Accountants (眾華會計師事務所(特殊普通合夥)). Information about the statutory financial statements of the subsidiaries within the Group are set out in Note 14.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Periods, except for any new standards or interpretations that are not yet effective for the accounting period beginning 1 April 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning 1 April 2025 are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand yuan (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES

(a) Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– non-equity investments (see Note2 (e)); and

– equity investments (see Note 2(e)); and

– derivative financial instruments (see Note 2(f)).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the Historical Financial Information include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Group or Company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see Note 2(j)(ii)).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 27. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(v)(ii)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(f) Derivative financial instruments

The Group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation.

(g) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(j)(ii)):

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property and equipment are as follows:

Electronic equipment	3-5 years
Furniture	3-5 years
Servers	3-5 years
Vehicles	4 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(h) Intangible assets (other than goodwill)

The Group recognizes development costs related to commercial data resources as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development costs related to commercial data resources include commercial data acquisition cost from third parties, direct labour cost related to data cleansing and data annotation etc., and an allocated amount of indirect costs. Capitalised development costs related commercial data resources are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Capitalised commercial data resources are amortised over their respective economic lives.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives of intangible assets are as follows:

Software	10 years
Data resources	5 years
Others	10 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(g) and 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see Notes 2(e)(i) and 2(j)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables that are held for the collection of contractual cash flows which represent solely payments of principal and interest);

– contract assets (see Note 2(l))

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments (including other receivables) that are determined to have low credit risk at the reporting date

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes 1080 days past due or when the group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Contract asset and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(v)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(v)(i)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Software-as-a-service (SaaS) arrangement costs

A SaaS arrangement is a service arrangement where the group has a right to access to the supplier's application software running on the supplier's cloud infrastructure during the term of the arrangement, but not control over the underlying software asset.

Costs to implement a SaaS arrangement, including those incurred in configuring or customising the access to the supplier's application software, are evaluated to determine if they give rise to a separate asset that the group controls. Any resulting asset is recognised and accounted for in accordance with the policy for intangible assets as set out in Note 2(h). Implementation costs that do not give rise to an asset are recognised in profit or loss as incurred, which may be over the period the configuration or customisation services are received to the extent that such services are distinct from the SaaS, or over the term of the SaaS arrangement to the extent the configuration or customisation services are not distinct from the SaaS.

Payment made in advance of receiving the related services is recognised as prepayment.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(j)(i)).

(p) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Research and development expenditures

Research and development expenditure are classified into expenditure during the research phase and expenditure during the development phase. Expenditure during research activities is recognised in profit or loss as incurred. Expenditure during development activities is capitalised when capitalisation criteria are fulfilled and recorded as "development expenditure", otherwise it is recognised in profit or loss as incurred.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(x).

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions *and contingent liabilities*

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the goods or services before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the goods or services.

Revenue is recognised when control over that good or service is transferred to the customer. For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone transaction price. The Group generally determines standalone transaction price based on observable prices.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Revenue derived from the provision of services on individual user products:

The Group provides imaged-based text processing, business networking and commercial data intelligence services to its individual users and also provides online advertising services primarily through its individual user products CamScanner, CamCard and Qixinbao.

Memberships services

The Group provides to users certain subscription packages which entitle paying subscribers with certain privileged or convenient features in the application. The subscription fee for these packages is time-based and is collected upfront from subscribers. The receipt of subscription fee is initially recorded as contract liabilities and recognized as revenue ratably over the subscription period.

Online Advertising services

Advertising revenue is primarily generated through display advertisements ("display ads") on the Group's individual user products. Advertising contracts are signed to establish the fixed unit prices and advertising services to be provided mainly based on cost per mille ("CPM") arrangements. When the collectability is reasonably assured, advertising revenues from the CPM arrangements are recognized based on the number of times that the advertisement has been displayed.

(b) Revenue derived from the provision of services on enterprise customer products

License of software

The Group also derives revenue from providing intelligent text processing and commercial data intelligence products to its enterprise customers through licensing of the Group's software. Licenses for on-premises software provide the customer with a right to use the software as it exists when made available to the customer. The Group considers that the license provides a right to use its software and accordingly, revenue from distinct on-premises licenses is recognized at the point in time when the software is made available to the customer.

Customers may also subscribe to licenses to access the Group's application software. The Group considers that the license provides a right to access its software and, accordingly, revenue on a subscription basis is recognized ratably over the contract period or based on usage.

Professional services

The Group provides professional services to enterprise customers including data analytical services. The revenue derived from data analytical services are recognised at the point in time when the services are provided or accepted by customers.

(ii) Revenue from other income

(a) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of being recognised in other revenue.

(w) Translation of foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management made the following accounting judgement:

Classification between cash and cash equivalents and financial assets at fair value through profit or loss for wealth management products

In order for a financial asset to be classified as cash equivalent and measured at amortised cost, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The directors of the Company determine that the Group's wealth management products which have contractual terms that introduce an exposure to risks or volatility in the contractual cash flows that is unrelated to the principal amount, such as exposure to changes in foreign exchange prices or commodity prices, may give rise to contractual cash flows that are SPPI on the principal amount outstanding.

(b) Source of estimation uncertainty

(i) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Track Record Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(ii) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

(iii) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of Al products for imaged-based intelligent text processing, business networking and commercial data intelligence and high-quality services to global individual users and enterprise customers across diverse industries. All of the Group's revenues are from contracts with customers within the scope of IFRS 15.

The Group's revenues are disaggregated by major product types and timing of revenue recognition and geographic information as follows:

(i) Disaggregation of revenue from contracts with customers by major product types of revenue recognition

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Individual user products	812,284	999,819	1,204,848	274,044	342,227
Enterprise products	168,800	182,282	224,625	51,225	50,423
Others	7,378	4,423	8,670	1,345	2,346
	988,462	1,186,524	1,438,143	326,614	394,996

(ii) Disaggregation of revenue from contracts with customers by the timing of revenue recognition

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Disaggregated by timing of revenue recognition					
Revenue over time	927,168	1,130,468	1,375,765	311,117	384,085
Revenue at a point in time	61,294	56,056	62,378	15,497	10,911
	988,462	1,186,524	1,438,143	326,614	394,996

(iii) Information about major customers

The Group's customer base is diversified. No revenue from individual customer contributed over 10% of total revenue of the Group during the Track Record Period.

(iv) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2022, 2023, 2024 and 31 March 2025 are as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	41,198	47,511	41,530	40,635
After one year	47,497	55,441	47,792	45,516
	88,695	102,952	89,322	86,151

The Company has applied the practical expedient in paragraph 121 of IFRS 15 to its contracts such that the above information does not include information about revenue that the Company will be entitled to when it satisfies the remaining performance obligation under the contracts that had an original expected duration of one year or less.

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment during the Track Record Periods.

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the products or services were accepted.

	Revenues from external customers				
	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Chinese Mainland	634,814	789,846	972,636	219,261	262,541
Other countries and regions	353,648	396,678	465,507	107,353	132,455
	988,462	1,186,524	1,438,143	326,614	394,996

5 OTHER REVENUE AND OTHER NET INCOME

(a) Other revenue

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Value-added tax refund	22,044	31,350	71,142	7,336	–
Government grants*	15,098	7,252	14,740	2,363	2,750
Others	489	514	650	658	726
Total other revenue	37,631	39,116	86,532	10,357	3,476

* During the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, the Group received unconditional government grants of RMB14,164,000, RMB7,112,000, RMB14,103,000, RMB1,805,000 and RMB2,663,000, as rewards of the Group's contribution to technology innovation and regional economic development.

During the years ended 31 December 2022, 2023, 2024 and for the three months ended 31 March 2024 and 2025, the Group received conditional government grants of RMB nil, RMB750,000, RMB750,000, RMB nil and RMB nil, respectively, as encouragement of research and development project. The Group recognized such type of grants of RMB934,000, RMB140,000, RMB637,000, RMB558,000 and RMB87,000, respectively, in the consolidated statements of profit or loss when related conditions were satisfied. There are no unfulfilled conditions or contingencies relating to these government grants.

(b) Other net income

	Years ended 31 December			Three months ended 31 March	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net realised gains on wealth management product	3,630	1,254	1,800	900	1019
Net realised losses on foreign exchange swap product	(5,457)	–	–	–	–
Net gain on disposal of an associate	2,756	–	–	–	–
Net foreign exchange gains/(losses)	25,766	6,137	7,106	1,175	(314)
Net gains/(losses) on disposal of property and equipment and right-of-use assets	30	(13)	(77)	(5)	660
	26,725	7,378	8,829	2,070	1,365

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance income

	Years ended 31 December			Three months ended 31 March	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest income from bank deposits	(7,316)	(10,089)	(15,229)	(1,357)	(6,203)
Finance income	(7,316)	(10,089)	(15,229)	(1,357)	(6,203)
Interest on lease liabilities *(Note 19(c))*	461	3,006	2,677	736	562
Finance costs	461	3,006	2,677	736	562
	(6,855)	(7,083)	(12,552)	(621)	(5,641)

(b) Staff costs

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, wages and other benefits	369,921	425,361	502,188	110,071	121,606
Contributions to defined contribution retirement plan *(i)*	35,672	42,387	50,069	11,759	13,283
Termination benefits	3,288	3,948	8,000	2,105	2,146
	408,881	471,696	560,257	123,935	137,035

(i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution scheme administered and operated by the local municipal governments. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group has no other material obligation for the payment of retirement benefits associated with these schemes beyond the annual contributions described above.

(c) Other items

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Promotion and marketing expense	151,646	197,740	275,345	54,640	67,133
Cost of inventories *(Note 17)*	538	790	3,704	228	1,088
Cloud services	85,120	106,346	135,382	29,889	36,761
Depreciation charge					
– property and equipment *(Note 11)*	15,179	17,344	49,351	7,561	16,488
– right-of-use assets *(Note 12)*	13,421	15,613	17,425	4,348	4,375
Amortisation of intangible assets *(Note 13)*	1,144	826	5,781	497	3,110
Impairment loss on trade and other receivables and contract assets	2,261	2,926	2,472	(481)	1,069

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Current tax-PRC Corporate Income Tax					
Provision for the year/period	–	6,702	29,025	8,419	11,114
Over-provision in respect of prior years	–	–	(20)	–	–
	–	6,702	29,005	8,419	11,114
Current tax – Overseas					
Provision for the year/period	113	179	217	46	101
Under/(over)-provision in respect of prior years	1,037	–	(79)	–	–
	1,150	179	138	46	101
Deferred tax					
Origination of temporary differences *(Note 24(b))*	(5,331)	(7,952)	(9,105)	(2,433)	(2,688)
Total	(4,181)	(1,071)	20,038	6,032	8,527

Note:

Overseas

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

People's Republic of China

The Company and the Group's PRC subsidiaries are subject to the PRC Corporate Income Tax Law ("CIT Law") at the statutory income tax rate of 25% on their respective taxable income during the Track Record Periods.

According to the Administrative Measures for Determination of High and New Tech Enterprises ("HNTEs") (Guokefahuo [2016] No. 32), the Company and Shanghai Shengteng Data Technology Co., Ltd. obtained the qualification as HNTEs and was entitled to a preferential income tax rate of 15% for the years from 2021 to 2026. Shanghai Linguan Data Technology Co., Ltd. obtained the qualification as HNTEs and was entitled to a preferential income tax rate of 15% for the years from 2022 to 2025.

Under the PRC Income Tax Law and its relevant regulations, 75% additional tax deduction is allowed for qualified research and development expenses for the period from 1 January 2022 to 30 September 2022.

According to Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration, the enterprises are entitled to the current additional tax deduction ratio of 100% for research and development expenses during the period from 1 October 2022 to 31 March 2025.

According to the Announcement on Enterprise Income Tax Policies for Promoting High Quality Development of Integrated Circuit Industry and Software Industry (Announcement No. 45 of 2020 by the Ministry of Finance, the State Administration of Taxation, and the Ministry of Industry and Information Technology of the Development and Reform Commission), key integrated circuit design enterprises and software enterprises encouraged by the state are exempt from enterprise income tax from the first to the fifth profitable year, and are subject to a reduced tax rate of 10% in subsequent years. Shanghai Linguan Data Technology Co., Ltd. was recognized as a key software enterprise by the Shanghai Software Industry Association in June 2022. According to the recognition results of the tax bureau, 2019 is the first profitable year for Shanghai Linguan, so corporate income tax will be exempted from 2019 to 2023, and corporate income tax will be levied at a reduced rate of 10% in 2024.

According to Announcement [2021] No. 12, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 2 April 2021, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 87.5% exemption of taxable income and application of income tax rate as 20% from 1 January 2022 to 31 December 2022.

According to Announcement [2023] No. 6, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 26 March 2023, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2023 to 31 March 2025.

Certain subsidiaries in the Group meet the conditions as small-scaled minimal profit enterprise were qualified for the entitlement of such preferential tax treatment during the Track Record Periods.

(b) Reconciliation between actual income tax expense and accounting profit at applicable tax rates:

	Years ended 31 December			Three months ended 31 March	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit before taxation	279,537	322,110	420,568	104,330	124,672
Notional tax on profit before taxation, calculated using the PRC statutory tax rate of 25%	69,884	80,527	105,142	26,082	31,168
Effect of preferential tax rate and different jurisdiction	(36,059)	(44,621)	(51,431)	(12,149)	(15,133)
Additional deductible expenses as stipulated by tax laws	(24,530)	(33,703)	(47,291)	(9,860)	(12,142)
Tax effect of non-deductible expenses	531	395	4,832	118	109
Tax effect of non-taxable income	(29)	–	(395)	–	391
Effect of utilisation of deductible losses previously not recognised	(27,461)	(14,153)	(4,736)	(2,294)	(1)
Tax effect of deductible temporary differences or deductible losses not recognized	18,117	19,730	14,088	4,135	4,135
Effect on deferred tax balances at 1 January resulting from a change in tax rate	(5,671)	(9,128)	–	–	–
Under/(over)-provision in respect of prior years	1,037	(118)	(171)	–	–
Actual tax expense	(4,181)	(1,071)	20,038	6,032	8,527

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	For the year ended 31 December 2022			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhen Lixin	–	4,136	63	4,199
Mr. Chen Qingshan	–	2,330	63	2,393
Mr. Long Teng	–	2,730	63	2,793
Mr. Liu Chen	–	1,591	63	1,654
Mr. Tang Songrong	–	1,890	63	1,953
Non-Executive directors				
Mr. Huang Guoqiang	–	–	–	–
Independent director				
Mr. Jiang Xiangyu	80	–	–	80
Mr. Liu Hua	80	–	–	80
Mr. Wang Shaofei	80	–	–	80
Supervisors				
Ms. Liu Yaqin	–	987	63	1,050
Mr. Shen Donghui	–	1,004	63	1,067
Mr. Luo Xiping	–	816	63	879
	240	15,484	504	16,228

	For the year ended 31 December 2023			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhen Lixin	–	5,061	68	5,129
Mr. Chen Qingshan	–	2,337	68	2,405
Mr. Long Teng	–	2,644	68	2,712
Mr. Liu Chen	–	1,662	68	1,730
Mr. Tang Songrong	–	1,789	16	1,805
Non-Executive directors				
Mr. Huang Guoqiang	–	–	–	–
Independent directors				
Mr. Jiang Xiangyu	80	–	–	80
Mr. Liu Hua	80	–	–	80
Mr. Wang Shaofei	80	–	–	80
Supervisors				
Ms. Liu Yaqin	–	833	68	901
Mr. Shen Donghui	–	1,146	68	1,214
Mr. Luo Xiping	–	831	68	899
	240	16,303	492	17,035

	For the year ended 31 December 2024			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhen Lixin	–	4,906	71	4,977
Mr. Chen Qingshan	–	2,131	71	2,202
Mr. Long Teng	–	2,656	71	2,727
Mr. Liu Chen	–	1,999	71	2,070
Mr. Tang Songrong	–	1,638	–	1,638
Non-Executive directors				
Mr. Huang Guoqiang	–	–	–	–
Independent directors				
Mr. Jiang Xiangyu	80	–	–	80
Mr. Liu Hua	80	–	–	80
Mr. Wang Shaofei	80	–	–	80
Supervisors				
Ms. Liu Yaqin	–	1,499	71	1,570
Mr. Shen Donghui	–	1,459	71	1,530
Mr. Luo Xiping	–	843	71	914
	240	17,131	497	17,868

	Three months ended 31 March 2024 (Unaudited)			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhen Lixin	–	632	18	650
Mr. Chen Qingshan	–	339	18	357
Mr. Long Teng	–	350	18	368
Mr. Liu Chen	–	323	18	341
Mr. Tang Songrong	–	426	–	426
Non-Executive directors				
Mr. Huang Guoqiang	–	–	–	–
Independent directors				
Mr. Jiang Xiangyu	20	–	–	20
Mr. Liu Hua	20	–	–	20
Mr. Wang Shaofei	20	–	–	20
Supervisors				
Ms. Liu Yaqin	–	366	18	384
Mr. Shen Donghui	–	282	18	300
Mr. Luo Xiping	–	219	18	237
	60	2,937	126	3,123

	Three months ended 31 March 2025			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors				
Mr. Zhen Lixin	–	619	18	637
Mr. Chen Qingshan	–	344	18	362
Mr. Long Teng	–	339	18	357
Mr. Liu Chen	–	339	18	357
Mr. Tang Songrong	–	429	–	429
Non-Executive directors				
Mr. Huang Guoqiang	–	–	–	–

	Three months ended 31 March 2025			
	Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Independent directors				
Mr. Jiang Xiangyu	20	–	–	20
Mr. Liu Hua	20	–	–	20
Mr. Wang Shaofei	20	–	–	20
Supervisors				
Ms. Liu Yaqin	–	279	18	297
Mr. Shen Donghui	–	299	18	317
Mr. Luo Xiping	–	218	18	236
	60	2,866	126	3,052

During the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, no amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, of the five individuals with the highest emoluments, three, three, two, two and two are directors, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Salaries, allowances and benefits in kind	5,173	5,571	8,559	1,292	1,280
Retirement scheme contributions	125	136	212	53	53
	5,298	5,707	8,771	1,345	1,333

The emoluments of the two, two, three, three and three with the highest emoluments during the year ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, respectively, are within the following bands:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals* (*unaudited*)	*Number of individuals*
HKD nil – HKD500,000	–	–	–	1	1
HKD500,001 – HKD1,000,000	–	–	–	2	2
HKD1,500,001 – HKD2,000,000	–	–	–	–	–
HKD2,000,001 – HKD2,500,000	1	1	1	–	–
HKD2,500,001 – HKD3,000,000	–	–	1	–	–
HKD3,000,001 – HKD3,500,000	–	–	–	–	–
HKD3,500,001 – HKD4,000,000	1	1	–	–	–
HKD4,000,001 – HKD4,500,000	–	–	1	–	–

10 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025 are calculated by dividing the profit attributable to the ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue.

The weighted average number of ordinary shares throughout the periods presented has been adjusted retrospectively for the impact of issuance of bonus shares in May 2025 (see Note 33).

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit attributable to ordinary equity shareholders of the Company	283,721	323,181	400,530	98,298	116,145

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	'000	*'000*	*'000*	*'000* *(unaudited)*	*'000*
Weighted average number of ordinary shares					
Issued ordinary shares at the beginning of the year	75,000	75,000	75,000	75,000	100,000
Effect of ordinary shares issued *(Note 26(c))*	–	–	6,250	–	–
Effect of issuance of bonus shares *(Note 33)*	30,000	30,000	32,500	30,000	40,000
Weighted average number of ordinary shares at the end of the year	105,000	105,000	113,750	105,000	140,000

(b) Diluted earnings per share

For the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, as there were no dilutive potential ordinary shares, diluted earnings per share were the same as basic earnings per share.

11 PROPERTY AND EQUIPMENT

The Group

	Electronic equipment	Furniture	Servers	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2022	10,045	2,180	22,943	1,093	15,732	51,993
Additions	2,085	142	10,281	–	–	12,508
Disposals	(254)	–	–	–	–	(254)
At 31 December 2022 and 1 January 2023	11,876	2,322	33,224	1,093	15,732	64,247
Additions	5,770	486	45,504	–	96	51,856
Disposals	(2,170)	(4)	(3,301)	–	–	(5,475)
At 31 December 2023 and 1 January 2024	15,476	2,804	75,427	1,093	15,828	110,628
Additions	6,995	189	127,826	1,233	4,887	141,130
Disposals	(1,538)	(48)	(3,030)	–	–	(4,616)
At 31 December 2024 and 1 January 2025	20,933	2,945	200,223	2,326	20,715	247,142
Additions	700	71	478	–	396	1,645
Disposals	(352)	–	–	–	–	(352)
At 31 March 2025	21,281	3,016	200,701	2,326	21,111	248,435
Accumulated depreciation:						
At 1 January 2022	(5,447)	(1,320)	(10,227)	(325)	(10,838)	(28,157)
Charge for the year	(2,377)	(255)	(7,573)	(259)	(4,715)	(15,179)
Written back on disposals	245	–	–	–	–	245
At 31 December 2022 and 1 January 2023	(7,579)	(1,575)	(17,800)	(584)	(15,553)	(43,091)
Charge for the year	(2,659)	(244)	(14,105)	(260)	(76)	(17,344)
Written back on disposals	1,879	4	2,320	–	–	4,203
At 31 December 2023 and 1 January 2024	(8,359)	(1,815)	(29,585)	(844)	(15,629)	(56,232)
Charge for the year	(4,352)	(302)	(42,983)	(426)	(1,288)	(49,351)
Written back on disposals	1,459	48	2,778	–	–	4,285
At 31 December 2024 and 1 January 2025	(11,252)	(2,069)	(69,790)	(1,270)	(16,917)	(101,298)
Charge for the period	(1,210)	(79)	(14,737)	(77)	(385)	(16,488)
Written back on disposals	338	–	–	–	–	338
At 31 March 2025	(12,124)	(2,148)	(84,527)	(1,347)	(17,302)	(117,448)
Net book value:						
At 31 December 2022	4,297	747	15,424	509	179	21,156
At 31 December 2023	7,117	989	45,842	249	199	54,396
At 31 December 2024	9,681	876	130,433	1,056	3,798	145,844
At 31 March 2025	9,157	868	116,174	979	3,809	130,987

The Company

	Electronic equipment	Furniture	Servers	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At 1 January 2022	4,674	531	22,126	1,093	3,308	31,732
Additions	572	1	8,309	–	–	8,882
Disposals	(165)	–	–	–	–	(165)
At 31 December 2022 and 1 January 2023	5,081	532	30,435	1,093	3,308	40,449
Additions	4,104	458	43,700	–	96	48,358
Disposals	(1,653)	(2)	(3,301)	–	–	(4,956)
At 31 December 2023 and 1 January 2024	7,532	988	70,834	1,093	3,404	83,851
Additions	5,262	150	125,801	1,233	4,887	137,333
Disposals	(730)	–	(3,030)	–	–	(3,760)
At 31 December 2024 and 1 January 2025	12,064	1,138	193,605	2,326	8,291	217,424
Additions	241	12	–	–	230	483
Disposals	(174)	–	–	–	–	(174)
At 31 March 2025	12,131	1,150	193,605	2,326	8,521	217,733
Accumulated depreciation:						
At 1 January 2022	(3,001)	(129)	(10,025)	(325)	(1,545)	(15,025)
Charge for the year	(843)	(98)	(6,854)	(259)	(1,763)	(9,817)
Written back on disposals	158	–	–	–	–	158
At 31 December 2022 and 1 January 2023	(3,686)	(227)	(16,879)	(584)	(3,308)	(24,684)
Charge for the year	(921)	(101)	(13,111)	(260)	(30)	(14,423)
Written back on disposals	1,396	2	2,320	–	–	3,718
At 31 December 2023 and 1 January 2024	(3,211)	(326)	(27,670)	(844)	(3,338)	(35,389)
Charge for the year	(2,683)	(194)	(41,355)	(426)	(1,242)	(45,900)
Written back on disposals	704	–	2,778	–	–	3,482
At 31 December 2024 and 1 January 2025	(5,190)	(520)	(66,247)	(1,270)	(4,580)	(77,807)
Charge for the period	(810)	(51)	(14,265)	(77)	(320)	(15,523)
Written back on disposals	166	–	–	–	–	166
At 31 March 2025	(5,834)	(571)	(80,512)	(1,347)	(4,900)	(93,164)
Net book value:						
At 31 December 2022	1,395	305	13,556	509	–	15,765
At 31 December 2023	4,321	662	43,164	249	66	48,462
At 31 December 2024	6,874	618	127,358	1,056	3,711	139,617
At 31 March 2025	6,297	579	113,093	979	3,621	124,569

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

The Group

	Property leased for own use
	RMB'000
At 1 January 2022	14,322
Additions	5,424
Depreciation charge for the year	(13,421)
At 31 December 2022 and 1 January 2023	6,325
Additions	75,106
Depreciation charge for the year	(15,613)
At 31 December 2023 and 1 January 2024	65,818
Additions	2,200
Depreciation charge for the year	(17,425)
At 31 December 2024 and 1 January 2025	50,593
Additions	1,489
Disposals	(16,073)
Depreciation charge for the period	(4,375)
Depreciation written back on disposal	7,315
At 31 March 2025	38,949

The Company

	Property leased for own use
	RMB'000
At 1 January 2022	2,864
Depreciation charge for the year	(2,864)
At 31 December 2022 and 1 January 2023	–
Additions	29,330
Depreciation charge for the year	(4,546)
At 31 December 2023 and 1 January 2024	24,784
Depreciation charge for the year	(6,304)
At 31 December 2024 and 1 January 2025	18,480
Depreciation charge for the period	(1,576)
At 31 March 2025	16,904

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:					
– Office buildings *(i)*	13,421	15,613	17,425	4,348	4,375
Interest on lease liabilities *(Note 6(a))*	461	3,006	2,677	736	562
Expense relating to short-term leases	1,874	1,383	1,579	390	286

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 19(d) and 23, respectively.

(i) Office Buildings

The Group has obtained the right to use certain office buildings through tenancy agreements during the Track Record Periods. The leases typically run for an initial period of 2 to 5 years, some leases include an option to renew the lease when all terms are renegotiated. None of the leases include variable lease payments.

13 INTANGIBLE ASSETS

The Group

	Software	Data Resources	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2022	4,332	–	2,425	6,757
Additions	474	–	–	474
At 31 December 2022, and 1 January 2023	4,806	–	2,425	7,231
Additions	122	–	–	122
At 31 December 2023, and 1 January 2024	4,928	–	2,425	7,353
Additions	507	50,726	–	51,233
At 31 December 2024, and 1 January 2025	5,435	50,726	2,425	58,586
Additions	48	12,685	–	12,733
At 31 March 2025	5,483	63,411	2,425	71,319
Accumulated amortisation:				
At 1 January 2022	(1,440)	–	(1,242)	(2,682)
Charge for the year	(901)	–	(243)	(1,144)
At 31 December 2022, and 1 January 2023	(2,341)	–	(1,485)	(3,826)
Charge for the year	(584)	–	(242)	(826)
At 31 December 2023, and 1 January 2024	(2,925)	–	(1,727)	(4,652)
Charge for the year	(326)	(5,212)	(243)	(5,781)

	Software	Data Resources	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024, and 1 January 2025	(3,251)	(5,212)	(1,970)	(10,433)
Charge for the period	(90)	(2,959)	(61)	(3,110)
At 31 March 2025	(3,341)	(8,171)	(2,031)	(13,543)
Net book value:				
At 31 December 2022	2,465	–	940	3,405
At 31 December 2023	2,003	–	698	2,701
At 31 December 2024	2,184	45,514	455	48,153
At 31 March 2025	2,142	55,240	394	57,776

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, selling and marketing expenses, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Cost of revenue	7	27	5,242	365	2,968
Selling and marketing expenses	11	10	9	2	2
Research and development expenses	223	242	264	64	73
Administrative and other operating expenses	903	547	266	66	67
	1,144	826	5,781	497	3,110

The Company

	Software	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2022	4,332	2,396	6,728
Additions	424	–	424
At 31 December 2022, and 1 January 2023	4,756	2,396	7,152
Additions	122	–	122
At 31 December 2023, and 1 January 2024	4,878	2,396	7,274
Additions	336	–	336
At 31 December 2024, and 1 January 2025	5,214	2,396	7,610
Additions	–	–	–
At 31 March 2025	5,214	2,396	7,610
Accumulated amortisation:			
At 1 January 2022	(1,440)	(1,238)	(2,678)
Charge for the year	(898)	(240)	(1,138)
At 31 December 2022, and 1 January 2023	(2,338)	(1,478)	(3,816)
Charge for the year	(578)	(240)	(818)

	Software	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023, and 1 January 2024	(2,916)	(1,718)	(4,634)
Charge for the year	(316)	(240)	(556)
At 31 December 2024	(3,232)	(1,958)	(5,190)
Charge for the period	(84)	(60)	(144)
At 31 March 2025	(3,316)	(2,018)	(5,334)
Net book value:			
At 31 December 2022	2,418	918	3,336
At 31 December 2023	1,962	678	2,640
At 31 December 2024	1,982	438	2,420
At 31 March 2025	1,898	378	2,276

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, selling and marketing expenses, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Cost of revenue	6	26	28	7	7
Selling and marketing expenses	9	9	9	2	2
Research and development expenses	218	236	253	62	68
Administrative and other operating expenses	905	547	266	66	67
	1,138	818	556	137	144

14 INTERESTS IN SUBSIDIARIES

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment costs	106,724	112,920	196,920	322,420

As at date of the report, the Company has direct or indirect interests in the following major subsidiaries, all of which are private companies. The class of shares held is ordinary unless otherwise stated.

Company name	Place and date of establishment	Particulars of registered and paid-in capital	Effective interest held by the Group – As at 31 December 2022	2023	2024	At the date of this report	Principal activities
Shanghai Shengteng Data Technology Co., Ltd. (上海生騰數據科技有限公司) *(Notes (i), (ii) and (iii))*	The People's Republic of China ("PRC") 1 August 2017	RMB300,000,000/ RMB250,000,000	100%	100%	100%	100%	Software and information technology services
Shanghai Linguan Data Technology Co., Ltd. (上海臨冠數據科技有限公司) *(Notes (i), (ii) and (iii))*	The People's Republic of China ("PRC") 8 November 2017	RMB350,000,000/ RMB300,000,000	100%	100%	100%	100%	Software and information technology services

(i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(ii) No audited financial statements have been prepared for the three months ended 31 March 2024 and 2025.

(iii) The statutory financial statements for Shanghai Shengteng Data Technology Co., Ltd. and Shanghai Linguan Data Technology Co., Ltd. for the years ended 31 December 2022, 2023, 2024 were audited by Zhonghua Certified Public Accountants (眾華會計師事務所(特殊普通合夥).

All companies now comprising the Group have adopted December 31 as their financial year end date.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December 2022	2023	2024	As at 31 March 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity securities designated at FVOCI (non-recycling)				
– Unlisted equity securities	21,718	19,984	7,009	7,009

The unlisted equity securities at FVOCI (non-recycling), represent investment in unlisted equity interest of entities incorporated in the PRC except for one company, which is listed on The National Equities Exchange and Quotations (NEEQ, known as the New Third Board).

The entities are principally engaged in providing data or technology services.

The Group designated these investments at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the Track Record Periods. The analysis on the fair value measurement of the above financial asset is disclosed in Note 27(e).

16 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVPL				
– Wealth management products	531,076	1,111,248	1,544,658	1,672,198

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVPL				
– Wealth management products	413,476	811,275	998,566	1,114,154

The Group's current balances of financial assets at FVPL mainly represent wealth management products issued by various financial institutions in the PRC.

For the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, the Group recognised RMB2,646,000, RMB20,025,000, RMB23,994,000, RMB5,837,000 and RMB7,706,000 in changes in fair value of financial assets measured at fair value through profit or loss.

The analysis on the fair value measurement of the above financial asset is disclosed in Note 27(e).

17 INVENTORIES

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Office equipment	386	2,473	3,905	3,140

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Office equipment	118	394	838	139

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Carrying amount of inventories sold	538	790	3,704	228	1,088

All inventories are expected to be recovered within one year.

18 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables				
Trade receivables	99,269	99,851	115,794	135,280
Less: loss allowance on trade receivables	(7,133)	(9,705)	(10,799)	(11,907)
	92,136	90,146	104,995	123,373
Bills receivables	278	117	–	75
Less: loss allowance on bills receivables	–	(4)	–	–
	92,414	90,259	104,995	123,448
Value added tax ("VAT") recoverable	10,681	8,692	17,750	15,493
Taxation recoverable *(Note 24(a))*	911	–	994	994
Capitalization of listing expenses	13,122	11,682	–	–
Other deposit and receivable	5,425	7,358	6,795	6,982
Less: loss allowance on other receivables	(40)	(60)	(74)	(74)
	30,099	27,672	25,465	23,395
	122,513	117,931	130,460	146,843
Prepayments				
Current				
Prepayments for goods and services	17,870	21,060	22,779	19,912
Non-current				
Prepayments for purchase of property and equipment and intangible assets	9	22,313	171	173
Others	3,309	–	–	1,145
	3,318	22,313	171	1,318

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	51,688	49,684	64,254	74,781
Less: loss allowance on trade receivables	(4,025)	(4,481)	(5,568)	(6,189)
	47,663	45,203	58,686	68,592
Bills receivables	278	20	–	75
Less: loss allowance on bills receivables	–	–	–	–
	47,941	45,223	58,686	68,667
Value added tax recoverable	6,860	3,843	12,444	10,751
Taxation recoverable	–	–	994	994
Capitalization of listing expenses	13,122	11,682	–	–
Other deposit and receivable	188,951	207,559	277,971	349,774
Less: loss allowance on other receivables	(33)	(34)	(44)	(44)
	208,900	223,050	291,365	361,475
	256,841	268,273	350,051	430,142
Current				
Prepayments for goods and services	5,930	9,682	11,924	9,390
Non-current				
Prepayments for purchase of property and equipment and intangible assets	8	22,311	–	–
Others	842	–	–	562
	850	22,311	–	562

As at 31 December 2022, 2023, 2024 and 31 March 2025, except for the rental deposits of RMB3,472,720, RMB3,804,880, RMB4,594,187 and RMB4,764,015, respectively, all of the Group's trade and other receivables are expected to be recovered or recognised as expense within a year.

Bills receivable primarily represent short-term bank acceptance bills receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 0 to 6 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable.

(a) Ageing analysis of trade receivables and bills receivables

As at 31 December 2022, 2023, 2024 and 31 March 2025, the ageing analysis of the Group's trade receivables and bills receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	89,397	85,838	99,565	118,310
After 1 year but within 2 years	2,547	4,126	5,099	4,709
After 2 years but within 3 years	470	295	331	429
Over 3 years	–	–	–	–
	92,414	90,259	104,995	123,448

Trade receivables are generally due within 0 to 30 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 27(a).

(b) Movement in the allowance for credit losses of trade receivables, bills receivables and other receivables

The Group

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Balance at the beginning of the year/period	4,963	7,173	9,769	9,769	10,873
Impairment losses recognised	2,328	2,930	2,407	(522)	1,108
Impairment losses reversed	(62)	(4)	(5)	–	–
Write-off	(56)	(330)	(1,298)	–	–
Balance at the end of the year/period	7,173	9,769	10,873	9,247	11,981

19 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	371,089	331,262	1,232,211	1,034,156
Non-pledged time deposits with original maturity of three months or less when acquired	160,186	–	158,144	157,920
	531,275	331,262	1,390,355	1,192,076

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank	198,272	117,614	1,029,248	687,375
Non-pledged time deposits with original maturity of three months or less when acquired	90,541	–	158,145	122,030
	288,813	117,614	1,187,393	809,405

As at 31 December 2022, 2023, 2024 and 31 March 2025, cash of the Group in Chinese Mainland amounted to RMB515,136,000, RMB315,016,000, RMB1,373,977,000, and RMB1,173,304,000. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of profit before taxation to cash generated from operations

		Year ended 31 December			Three months ended 31 March	
	Note	2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Profit before taxation		279,537	322,110	420,568	104,330	124,672
Adjustments for:						
Depreciation	*6(c)*	28,600	32,957	66,776	11,909	20,863
Amortization	*6(c)*	1,144	826	5,781	497	3,110
Impairment loss on trade and other receivables and contract assets		2,261	2,926	2,472	(481)	1,069
Changes in fair value of financial assets measured at fair value through profit or loss	*27*	(2,646)	(20,025)	(23,994)	(5,837)	(7,706)
Finance costs	*6(a)*	461	3,006	2,677	736	562
Net gain on disposal of an associate	*5(b)*	(2,756)	–	–	–	–
Share of gain of an associate		(192)	–	–	–	–
(Gains)/losses on disposal of property and equipment and right-of-use assets	*5(b)*	(30)	13	77	5	(660)
Foreign exchange (gains)/losses		(25,766)	(6,137)	(7,106)	(1,175)	(314)
Net realised losses/(gains) on financial assets at fair value through profit or loss	*5(b)*	1,827	(1,254)	(1,800)	(900)	(1,019)
Changes in working capital:						
(Increase)/decrease in inventories		(27)	(2,087)	(1,432)	(1,268)	765
(Increase)/decrease in trade and other receivables		(25,172)	3,754	(13,871)	(72)	(17,412)
(Increase)/decrease in contract assets		(643)	288	(1,746)	(958)	553
Decrease/(increase) in prepayments		2,974	(3,190)	(1,719)	2,120	1,722
Decrease/(increase) in restrict deposits		1,899	225	(3,150)	(608)	(2,331)
Increase in trade and other payables		34,441	36,172	42,881	4,759	18,221
Increase/(decrease) in contract liabilities		83,771	84,888	(8,341)	(15,722)	(21,116)
(Decrease)/Increase in deferred income		(934)	609	113	(558)	(87)
Cash generated from operations		378,749	455,081	478,186	96,777	120,892

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Lease liabilities
	RMB'000 *(Note 23)*
At 1 January 2022	12,021
Changes from financing cash flows:	
Capital element of lease rentals paid	(11,036)
Interest element of lease rentals paid	(461)
Total changes from financing cash flows	(11,497)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	5,424
Interest expenses (*Note 6(a)*)	461
Total other changes	5,885
At 31 December 2022 and 1 January 2023	6,409

	Lease liabilities
	RMB'000 *(Note 23)*
At 1 January 2023	6,409
Changes from financing cash flows:	
Capital element of lease rentals paid	(17,369)
Interest element of lease rentals paid	(3,006)
Total changes from financing cash flows	(20,375)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	75,106
Interest expenses *(Note 6(a))*	3,006
Total other changes	78,112
At 31 December 2023 and 1 January 2024	64,146

	Lease liabilities
	RMB'000 *(Note 23)*
At 1 January 2024	64,146
Changes from financing cash flows:	
Capital element of lease rentals paid	(15,444)
Interest element of lease rentals paid	(2,677)
Total changes from financing cash flows	(18,121)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	2,200
Interest expenses *(Note 6(a))*	2,677
Total other changes	4,877
At 31 December 2024 and 1 January 2025	50,902

	Lease liabilities
	RMB'000 *(Note 23)*
(unaudited)	
At 1 January 2024	64,146
Changes from financing cash flows:	
Capital element of lease rentals paid	(2,656)
Interest element of lease rentals paid	(736)
Total changes from financing cash flows	(3,392)
Other changes:	
Interest expenses *(Note 6(a))*	736
Total other changes	736
At 31 March 2024	61,490

	Lease liabilities
	RMB'000 *(Note 23)*
At 1 January 2025	50,902
Changes from financing cash flows:	
Capital element of lease rentals paid	(4,469)
Interest element of lease rentals paid	(562)
Total changes from financing cash flows	(5,031)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	1,489
Disposal of lease liabilities	(8,556)
Interest expenses *(Note 6(a))*	562
Total other changes	(6,505)
At 31 March 2025	39,366

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Within operating cash flows	1,874	1,383	1,579	390	286
Within financing cash flows	11,497	20,375	18,121	3,392	5,031
	13,371	21,758	19,700	3,782	5,317

These amounts relate to the following:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Lease rentals paid	13,371	21,758	19,700	3,782	5,317

20 RESTRICTED DEPOSITS AND TIME DEPOSITS

(a) Restricted deposits comprise:

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted deposits	21,574	21,349	24,499	26,830

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Restricted deposits	21,101	21,317	23,941	26,019

(b) Time deposits comprise:

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits	–	–	79,791	251,955

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits	–	–	50,319	222,524

As at 31 December 2022, 2023, 2024 and 31 March 2025, time deposits of the Group amounted to RMB nil, RMB nil, RMB79,791,000, and RMB251,955,000, consist of USD time deposits with terms of six months to one year.

21 TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	44,244	55,760	62,525	77,359
Accrued payroll and benefits	114,007	130,919	166,540	169,217
Other taxes payable	9,128	11,192	12,745	12,603
Other payables and accrual expenses	1,490	1,372	2,607	2,498
	168,869	199,243	244,417	261,677

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	10,735	13,110	29,040	33,020
Accrued payroll and benefits	54,706	60,693	71,486	72,523
Other taxes payable	4,517	3,719	4,362	3,310
Other payables and accrual expenses	9,659	22,547	306	310
	79,617	100,069	105,194	109,163

All of the trade and other payables are expected to be settled or recognised as income within one year.

As at 31 December 2022, 2023, 2024 and 31 March 2025, the ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	43,928	55,247	61,734	76,528
After 1 year but within 2 years	316	254	791	831
After 2 years but within 3 years	–	259	–	–
Over 3 years	–	–	–	–
	44,244	55,760	62,525	77,359

22 CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current	2,907	2,770	4,497	3,976
Non current	203	59	161	89
	3,110	2,829	4,658	4,065
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables"	92,136	90,146	104,995	123,373

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current	897	1,009	1,930	1,866
Non current	29	10	–	3
	926	1,019	1,930	1,869
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables"	47,663	45,203	58,686	68,592

(b) Movements in contract liabilities

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	360,343	444,114	529,002	520,661
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(299,797)	(383,553)	(451,500)	(227,880)
Increase in contract liabilities as a result of receiving advance payment during the year/period	922,373	1,131,793	1,211,091	335,829
Decrease in contract liabilities as a result of recognising revenue during the same year/period	(538,805)	(663,352)	(767,932)	(129,065)
Balance at the end of the year/period	444,114	529,002	520,661	499,545

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	161,545	171,153	176,052	206,848
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(139,011)	(153,656)	(153,260)	(89,514)
Increase in contract liabilities as a result of receiving advance payment during the year/period	401,567	438,271	490,834	147,952
Decrease in contract liabilities as a result of recognising revenue during the same year/period	(252,948)	(279,716)	(306,778)	(50,334)
Balance at the end of the year/period	171,153	176,052	206,848	214,952

23 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities as at 31 December 2022, 2023, 2024 and 31 March 2025.

The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	1,870	16,633	18,706	15,662
After 1 year but within 2 years	1,904	16,734	18,391	15,837
After 2 years but within 5 years	2,635	30,779	13,805	7,867
After 5 years	–	–	–	–
	4,539	47,513	32,196	23,704
	6,409	64,146	50,902	39,366

The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	–	6,031	6,974	7,014
After 1 year but within 2 years	–	6,393	6,607	6,683
After 2 years but within 5 years	–	11,793	5,185	3,489
After 5 years	–	–	–	–
	–	18,186	11,792	10,172
	–	24,217	18,766	17,186

24 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	118	(789)	2,157	8,766
Provision for PRC Corporate Income Tax for the year/period	–	6,702	29,005	11,114
Provision for Overseas Profits Tax for the year/period	1,150	179	138	101
Tax paid	(2,057)	(3,935)	(22,534)	(9,085)
At the end of the year/period	(789)	2,157	8,766	10,896
Represented by:				
Taxation recoverable *(Note 18)*	(911)	–	(994)	(994)
Taxation payable	122	2,157	9,760	11,890
	(789)	2,157	8,766	10,896

(b) Deferred tax assets and liabilities recognized:

(i) The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Track Record Periods are as follows:

The Group

	Credit loss allowance	Deductible Advertising fees	Right-of-use assets	Lease Liabilities	Financial assets at fair value through other comprehensive income-gain	Financial assets at fair value through other comprehensive income-loss	Financial assets measured at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	696	6,708	(1,655)	1,806	–	(917)	(12)	6,626
Credited/(charged) to profit or loss	279	5,698	738	(815)	–	–	(569)	5,331
Credited/(charged) to reserves	–	–	–	–	119	(30)	–	89
At 31 December 2022 and 1 January 2023	975	12,406	(917)	991	119	(947)	(581)	12,046
Credited/(charged) profit or loss	370	9,296	(8,887)	9,180	–	–	(2,007)	7,952
Credited to reserves	–	–	–	–	260	–	–	260
At 31 December 2023 and 1 January 2024	1,345	21,702	(9,804)	10,171	379	(947)	(2,588)	20,258
Credited/(charged) to profit or loss	193	10,337	1,739	(1,759)	–	–	(1,405)	9,105
Credited to reserves	–	–	–	–	1,279	667	–	1,946
At 31 December 2024 and 1 January 2025	1,538	32,039	(8,065)	8,412	1,658	(280)	(3,993)	31,309
Credited/(charged) to profit or loss	137	2,457	2,631	(2,739)	–	–	202	2,688
At 31 March 2025	1,675	34,496	(5,434)	5,673	1,658	(280)	(3,791)	33,997

(ii) The components of deferred tax/(liabilities) recognized in the statements of financial position and the movements during the Track Record Periods are as follows

The Company

	Credit loss allowance	Deductible Advertising fees	Right-of-use assets	Lease Liability	Financial assets at fair value through other comprehensive income-gain	Financial assets at fair value through other comprehensive income-loss	Financial assets measured at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	541	–	(309)	359	–	(917)	(11)	(337)
Credited/(charged) to profit or loss	76	–	309	(329)	–	–	(511)	(455)
Credited/(charged) to reserves	–	–	–	–	119	(30)	–	89
At 31 December 2022 and 1 January 2023	617	–	–	30	119	(947)	(522)	(703)
Credited/(charged) to profit or loss	70	–	(3,473)	3,537	–	–	(1,770)	(1,636)
Credited to reserves	–	–	–	–	260	–	–	260
At 31 December 2023 and 1 January 2024	687	–	(3,473)	3,567	379	(947)	(2,292)	(2,079)
Credited/(charged) to profit or loss	171	–	701	(684)	–	–	(1,094)	(906)
Credited to reserves	–	–	–	–	1,279	667	–	1,946
At 31 December 2024 and 1 January 2025	858	–	(2,772)	2,883	1,658	(280)	(3,386)	(1,039)
Credited/(charged) to profit or loss	92	–	337	(331)	–	–	392	490
At 31 March 2025	950	–	(2,435)	2,552	1,658	(280)	(2,994)	(549)

(iii) Reconciliation to the consolidated statements of financial position:

	Years ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax asset recognised in the consolidated statement of financial position	13,575	23,794	35,583	38,068
Net deferred tax liability recognised in the consolidated statement of financial position	(1,529)	(3,536)	(4,274)	(4,071)
Net deferred tax asset recognized in the consolidated statement of financial position	12,046	20,258	31,309	33,997

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and temporary differences as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The following table presents the Group's unused tax losses and temporary differences at the reporting dates:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	375	430	485	628
Unused tax losses	404,115	415,160	514,013	543,759
	404,490	415,590	514,498	544,387

The expiration information of the Group's unused tax losses is set out below:

	As at 31 December			Three months as at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2023	20,843	–	–	–
2024	43,555	43,555	–	–
2025	40,790	40,790	14,029	14,029
2026	25,089	25,089	46,361	46,361
2027	40,978	38,980	38,891	38,891
2028	24,149	15,784	32,443	32,438
2029	73,596	15,410	49,859	49,843
2030	10,391	10,391	23,484	28,174
2031	67,880	67,880	68,525	68,525
2032	56,844	62,347	62,347	62,347
2033	–	94,934	111,283	111,283
2034	–	–	66,791	66,791
2035	–	–	–	25,077
	404,115	415,160	514,013	543,759

25 DEFERRED INCOME

As at 31 December 2022, 2023, 2024 and 31 March 2025, deferred income of the Group represented unamortized conditional government grants amounted to RMB149,000, RMB758,000, RMB871,000 and RMB784,000, for the purchase of property and equipment.

The Group recognises government grants in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset by way of being recognized in other income.

26 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	**Share capital**	**Capital reserve**	**PRC statutory reserves**	**Fair value reserve (non-recycling)**	**Retained earnings**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2022		75,000	268,589	34,092	616	306,825	685,122
Changes in equity for 2022:							
Profit for the year		–	–	–	–	259,313	259,313
Other comprehensive income		–	–	–	292	–	292
Total comprehensive income for the year		–	–	–	292	259,313	259,605
Appropriation for surplus reserve		–	–	3,408	–	(3,408)	–
Disposal of interests in an associate		–	(59,884)	–	–	–	(59,884)
Others		–	(799)	–	–	–	(799)
Balance at 31 December 2022 and 1 January 2023		75,000	207,906	37,500	908	562,730	884,044
Changes in equity for 2023:							
Profit for the year		–	–	–	–	272,958	272,958
Other comprehensive income		–	–	–	(1,474)	–	(1,474)
Total comprehensive income for the year		–	–	–	(1,474)	272,958	271,484
Balance at 31 December 2023 and 1 January 2024		75,000	207,906	37,500	(566)	835,688	1,155,528
Changes in equity for 2024:							
Profit for the year		–	–	–	–	242,351	242,351
Other comprehensive income		–	–	–	(11,029)	–	(11,029)
Total comprehensive income for the year		–	–	–	(11,029)	242,351	231,322
Issue of ordinary shares	*26(c)*	25,000	1,244,840	–	–	–	1,269,840
Appropriation for surplus reserve		–	–	12,500	–	(12,500)	–

	Note	Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 31 December 2024 and 1 January 2025		100,000	1,452,746	50,000	(11,595)	1,065,539	2,656,690
Changes in equity for the three months ended 31 March 2025:							
Profit for the period		–	–	–	–	81,648	81,648
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the period		–	–	–	–	81,648	81,648
Balance at 31 March 2025		100,000	1,452,746	50,000	(11,595)	1,147,187	2,738,338

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Periods.

(c) Share capital

	Number of shares	In RMB'000
Ordinary shares, issued and fully paid:		
At 1 January 2022, 31 December 2022 and 31 December 2023	75,000,000	75,000
Ordinary shares issued	25,000,000	25,000
At 31 December 2024 and 31 March 2025	100,000,000	100,000

In September 2024, the Company completed initial public offering of A shares on the Science and Technology Innovation Board. The Company issued a total of 25,000,000 new A-shares and raised funding of approximately RMB1,379,500,000 through the issuance. Net proceeds from these issues amounted to RMB1,269.84 million (after offsetting issuance costs directly attributable to the issue of shares of RMB29,988,000), out of which RMB25,000,000 and RMB1,244.84 million were recorded in share capital and capital reserve accounts, respectively.

(d) Capital reserve

The capital reserve represents the difference between consideration received for ordinary shares subscription net of any transaction costs directly attributable to the subscription and the par value of the ordinary shares subscribed.

(e) PRC statutory reserve

According to the PRC Company Law, the Company's PRC subsidiaries are required to transfer 10% of their profit after taxation, as determined under the PRC accounting regulations, to statutory reserve until the reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined based on the statutory financial statements prepared in accordance with PRC accounting standards. The transfer to this reserve must be made before distribution of dividend to shareholders.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(f) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2(e)).

(g) Capital management

The Group's objectives in the aspect of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to make adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, other receivables and contract assets. The Group's exposure to credit risk arising from cash and cash equivalents and restricted deposits is limited because the counterparties are reputable banks which the Group considers to represent low credit risk.

The Group does not provide any other guarantees which would expose the Group to credit risk.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group do not grant credit period to customers.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2022, 2023 and 2024 and 31 March 2025, 62.2%, 57.8%, 55.3% and 53.3% of the total trade receivables and contract assets was due from the Group's five largest customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets, including trade-related balances in amounts due from related parties, as at 31 December 2022, 2023, 2024 and 31 March 2025:

	As at 31 December 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Less than 12 months past due	5.0%	97,079	4,860
More than 12 months but less than 24 months past due	31.5%	3,737	1,179
More than 24 months but less than 36 months past due	67.1%	1,427	957
More than 36 months past due	100.0%	304	304
		102,547	7,300

	As at 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Less than 12 months past due	5.2%	93,437	4,901
More than 12 months but less than 24 months past due	43.3%	7,313	3,169
More than 24 months but less than 36 months past due	67.7%	912	617
More than 36 months past due	100.0%	1,192	1,192
		102,854	9,879

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Less than 12 months past due	5.6%	110,434	6,221
More than 12 months but less than 24 months past due	30.9%	7,386	2,284
More than 24 months but less than 36 months past due	75.8%	1,394	1,056
More than 36 months past due	100.0%	1,495	1,495
		120,709	11,056

	As at 31 March 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Less than 12 months past due	5.5%	129,474	7,175
More than 12 months but less than 24 months past due	30.9%	6,816	2,107
More than 24 months but less than 36 months past due	71.6%	1,512	1,082
More than 36 months past due	100.0%	1,760	1,760
		139,562	12,124

Expected loss rate are based on actual loss experience over the past three years. These rates are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over expected lives of the receivables.

The following significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the change in the loss allowance during the 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025:

- origination of new trade receivables and contract assets net of those settled resulted in an increase of RMBnil, RMBnil, RMBnil, RMBnil and RMBnil in loss allowance, respectively;

- change in past due trade receivables and contract assets resulted in an increase of RMB2,403,000, RMB2,579,000, RMB1,177,000, a decrease of RMB515,000 and an increase of RMB1,068,000 in loss allowance, respectively; and

- write-off of trade receivables and contract assets with a gross carrying amount of RMBnil, RMB330,000, RMB1,299,000, RMBnil and RMBnil resulted in a decrease in loss allowance, respectively.

Other receivables

For other receivables, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The management has assessed that during the Track Record Period, other receivables did not have a significant increase in credit risk since initial recognition. Thus, a 12-month ECL approach that results from possible default event within 12 months of each reporting date is adopted by management. As at 31 December 2022, 2023, 2024 and 31 March 2025, the loss allowance of other receivables were RMB39,600, RMB60,000, RMB73,700 and RMB73,700, respectively.

(b) Liquidity risk

The management are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	As at 31 December 2022					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	45,734	–	–	–	45,734	45,734
Lease liabilities	2,122	2,065	2,772	–	6,959	6,409
	47,856	2,065	2,772	–	52,693	52,143

	As at 31 December 2023					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	57,132	–	–	–	57,132	57,132
Lease liabilities	19,301	18,674	32,090	–	70,065	64,146
	76,433	18,674	32,090	–	127,197	121,278

	As at 31 December 2024					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	65,132	–	–	–	65,132	65,132
Lease liabilities	20,672	19,525	14,096	–	54,293	50,902
	85,804	19,525	14,096	–	119,425	116,034

	As at 31 March 2025					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	79,857	–	–	–	79,857	79,857
Lease liabilities	17,127	16,603	7,986	–	41,716	39,366
	96,984	16,603	7,986	–	121,573	119,223

(c) Interest rate risk

The Group's interest-bearing financial instruments at variable rates are the cash and cash equivalents as at 31 December 2022, 2023, 2024 and 31 March 2025. The Group's interest-bearing financial instruments at fixed interest rates are lease liabilities as at 31 December 2022, 2023, 2024 and 31 March 2025 that are measured at amortised cost.

The Group's income and operating cash flows are substantially independent of exchanges in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to cash and cash equivalents, restricted deposits and time deposits, trade and other receivables, prepayments, trade and other payables and contract liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily USD.

(i) Exposure to currency risk

The following table details Group's exposure as at 31 December 2022, 2023 and 2024 and 31 March 2025 to currency risk arising from the recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in RMB translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group's subsidiaries with functional currency other than RMB into the Group's presentation currency are excluded.

	As at 31 December						As at 31 March	
	2022		2023		2024		2025	
	USD *RMB'000*	*EUR* *RMB'000*	*USD* *RMB'000*	*EUR* *RMB'000*	*USD* *RMB'000*	*EUR* *RMB'000*	*USD* *RMB'000*	*EUR* *RMB'000*
Trade and other receivables	46,075	–	43,873	–	56,831	–	61,663	–
Prepayments	–	66	–	–	–	–	–	–
Restricted deposits	21,473	–	21,248	–	23,926	–	26,383	–
Time deposits	–	–	–	–	79,791	–	251,955	–
Cash and cash equivalents	254,796	–	117,100	–	194,094	–	191,705	–
Trade and other payables	(3,320)	(267)	(4,512)	(187)	(4,509)	(17)	(11,205)	(49)
Contract liabilities	–	–	(1)	–	–	–	–	–
Net exposure arising from recognised assets and liabilities	319,024	(201)	177,708	(187)	350,133	(17)	520,501	(49)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	As at 31 December						As at 31 March	
	2022		2023		2024		2025	
	Increase/ (decrease) in foreign exchange rates	**Increase/ (decrease) in profit after tax and retained profits**	**Increase/ (decrease) in foreign exchange rates**	**Increase/ (decrease) in profit after tax and retained profits**	**Increase/ (decrease) in foreign exchange rates**	**Increase/ (decrease) in profit after tax and retained profits**	**Increase/ (decrease) in foreign exchange rates**	**Increase/ (decrease) in profit after tax and retained profits**
		RMB'000		*RMB'000*		*RMB'000*		*RMB'000*
USD	5%	14,217	5%	7,595	5%	14,657	5%	22,128
	(5%)	(14,217)	(5%)	(7,595)	(5%)	(14,657)	(5%)	(22,128)
EUR	5%	(9)	5%	(9)	5%	(1)	5%	(2)
	(5%)	9	(5%)	9	(5%)	1	(5%)	2

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, and then translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of entities whose functional currency is not RMB.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

Level 3 valuations: Fair value measured using significant unobservable inputs.

Analysis on fair value measurement of financial instruments as at 31 December 2022, 2023, 2024 and 31 March 2025 are as follows:

	Fair value at 31 December 2022	Fair value measurement at 31 December 2022 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Asset:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	21,718	–	–	21,718
Financial assets at FVPL				
– Wealth management products *(ii)*	531,076	–	–	531,076

	Fair value at 31 December 2023	Fair value measurement at 31 December 2023 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	19,984	–	–	19,984
Financial assets at FVPL				
– Wealth management products *(ii)*	1,111,248	–	–	1,111,248

	Fair value at 31 December 2024	Fair value measurement at 31 December 2024 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	7,009	–	–	7,009
Financial assets at FVPL				
– Wealth management products *(ii)*	1,544,658	–	–	1,544,658

	Fair value at 31 March 2025	Fair value measurement at 31 March 2025 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	7,009	–	–	7,009
Financial assets at FVPL				
– Wealth management products *(ii)*	1,672,198	–	–	1,672,198

During the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2025, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements:

	Valuation techniques	Significant unobservable inputs
Unlisted equity securities *(i)*	Valuation multiples	Changing trend of average market multiples of comparable companies
Wealth management products *(ii)*	Discounted cash flow method	Interest return rate

(i) The fair value of certain unlisted equity security is determined using latest round financing price adjusted for changing trend of average market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of average market multiples of comparable companies. As at 31 December 2022, 2023, 2024 and 31 March 2025, it is estimated that with all other variables held constant, an increase/decrease in change of average market multiples of comparable companies by 5% would have increased/decreased the Group's other comprehensive income by RMB923,000, RMB849,000, RMB298,000 and RMB298,000, respectively.

(ii) The fair values of wealth management products and negotiable certificate of deposits with banks have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors of the Company to make estimates about the expected future cash flows including expected future interest return on maturity of the wealth management products. The directors of the Company believe that the estimated fair values resulting from the valuation technique are reasonable, and that they were the most appropriate values at the end of each of the Tracking Record Period. As at 31 December 2022, 2023, 2024 and 31 March 2025, wealth management products carried an interest rate ranging from 2.6% to 3.6%,2.6% to 3.55%, 1.35% to 3.55%, and 1.9% to 3.45%, respectively. It is estimated that with all other variables held constant, an increase/decrease in change of interest return rate by 5% would have increased/decreased the Group's profit by RMB902,000, RMB2,770,000, RMB3,497,000 and RMB1,348,000, respectively.

The following table shows a reconciliation from the beginning balances to the ending balances for financial assets for fair value measurement in Level 3 of the fair value hierarchy:

	Financial assets at FVOCI	Financial assets at FVPL	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2022	34,314	70,085	104,399
Purchase	–	787,000	787,000
Disposal	(12,000)	(326,828)	(338,828)
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(596)	–	(596)
Net realized and unrealized losses on financial assets at fair value through profit or loss	–	819	819
As at 31 December 2022	21,718	531,076	552,794
Purchase	–	1,205,000	1,205,000
Disposal	–	(646,107)	(646,107)
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(1,734)	–	(1,734)
Net realized and unrealized losses on financial assets at fair value through profit or loss	–	21,279	21,279
As at 31 December 2023	19,984	1,111,248	1,131,232
Purchase	–	1,520,000	1,520,000
Disposal	–	(1,112,384)	(1,112,384)
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(12,975)	–	(12,975)
Net realized and unrealized losses on financial assets at fair value through profit or loss	–	25,794	25,794
As at 31 December 2024	7,009	1,544,658	1,551,667
Purchase	–	1,810,266	1,810,266
Disposal	–	(1,691,451)	(1,691,451)
Net realized and unrealized gains on financial assets at fair value other comprehensive income	–	–	–
Net realized and unrealized losses on financial assets at fair value through profit or loss	–	8,725	8,725
As at 31 March 2025	7,009	1,672,198	1,679,207

Any gain or loss arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognized in the fair value reserve (non-recycling) in other comprehensive income.

Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to accumulated losses.

The gains arising from the financial assets at FVPL are presented in the "Changes in fair value of financial assets measured at fair value through profit or loss" line item and "Other net income" in the consolidated statements of profit or loss.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at 31 December 2022, 2023, 2024 and 31 March 2025.

28 COMMITMENTS

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group does not have any material commitment.

29 CONTINGENT LIABILITIES

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group does not have any material contingent liabilities.

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Short-term employee benefits	20,767	22,032	23,840	4,235	4,164
Contributions to defined contribution retirement plans	751	763	776	193	195
	21,518	22,795	24,616	4,428	4,359

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Related party transactions

During the Track Record Periods, the directors are of the view that the companies are related parties:

Name of party	Relationship
Shanghai Zhaoqi Technology Co., LTD.*	Associate of the Group
Shenzhen Audaque Data Technology Co., LTD.	Huang Guoqiang appointed as the director of the entity

* This company was once an associated enterprise of the Group. On 25 March 2022, the temporary shareholders' meeting of Shanghai Zhaoqi Technology Co., LTD. to dissolve Shanghai Zhaoqi Technology Co., LTD., and on 18 November 2022, Shanghai Zhaoqi Technology Co., LTD. completed the industrial and commercial cancellation, and is no longer a related party.

** The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

(c) Other significant related party transactions

During the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2024 and 2025, the Group had following transactions with related parties:

	Years ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Sales of goods					
Shenzhen Audaque Data Technology Co., LTD.	–	–	57	–	–
	–	–	57	–	–
Sales of services					
Shanghai Zhaoqi Technology Co., LTD.	141	–	–	–	–
Shenzhen Audaque Data Technology Co., LTD.	175	73	–	28	–
	316	73	–	28	–

(d) Significant related party balances

At 31 December 2022, 2023, 2024 and 31 March 2025, the Group had following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables				
Shenzhen Audaque Data Technology Co., LTD.	–	–	14	15
	–	–	14	15
Contract liabilities				
Shenzhen Audaque Data Technology Co., LTD.	50	–	–	–
	50	–	–	–

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At of 31 December 2022, 2023, 2024 and 31 March 2025, the directors consider the immediate controlling parties of the Group to be Mr. Zhen Lixin, and ultimate controlling party of the Group to be Mr. Zhen Lixin.

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING 1 APRIL 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective the nine months ended 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

33 SUBSEQUENT EVENTS

Pursuant to a shareholder resolution on 9 May 2025, the Group decided to pay a dividend of RMB2 per share in cash to all existing shareholders and carry out an issue of shares on the basis of 4 capitalization shares for every 10 shares in issue by way of capitalization of capital reserve.

Subsequent Financial Statements

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 31 March 2025.

The information set forth in this appendix does not form part of the Accountants' report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, and is included herein for illustrative purposes only.

The unaudited [**REDACTED**] *financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set forth in Appendix I to this document.*

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the [**REDACTED**] on the consolidated net tangible liabilities attributable to equity shareholders of the Company as of 31 March 2025 as if it had taken place on that date.

The unaudited [**REDACTED**] statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the [**REDACTED**] been completed as of 31 March 2025 or at any future date.

	Consolidated net tangible assets attributable to the equity shareholders of the Company as of 31 March 2025(1)	Estimated net [REDACTED] from the [REDACTED](2)(4)	Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to the equity shareholders of the Company	Unaudited [REDACTED] adjusted net consolidated tangible assets attributable to the equity shareholders of the Company per Share(3)	
		(in thousands of RMB)		*RMB(4)*	*HK$(4)*
Based on an [REDACTED] of HK$[REDACTED] per H Share .	2,716,023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Based on an [REDACTED] of HK$[REDACTED] per H Share .	2,716,023	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The consolidated net tangible assets attributable to the equity shareholders of the Company as of 31 March 2025 is calculated based on the consolidated total equity attributable to the equity shareholders of the Company as of 31 March 2025 of RMB2,773,799,000, less intangible assets of RMB57,776,000 as at 31 March 2025, extracted from the Accountants' Report set out in Appendix I to this Document.

(2) The estimated net [**REDACTED**] from this [**REDACTED**] are based on the expected issuance of [**REDACTED**] H shares and the indicative [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**], respectively, being the lower end price and higher end price of the stated [**REDACTED**] range, after deduction of the estimated [**REDACTED**] and other estimated related expenses paid or payable by the Group (excluding [**REDACTED**] which have been charged to profit or loss prior to 31 March 2025) and does not take into account of any shares which may be issued upon the exercise of the [**REDACTED**].

(3) The unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares (which is calculated based on 140,000,000 Shares as at 31 March 2025 taking into account the issue of shares to pay dividend pursuant to a shareholder resolution on 9 May 2025 as set out in Note 33 of Appendix I to this document and adjusted for [**REDACTED**] Shares newly issued upon [**REDACTED**]) were in issue assuming that the [**REDACTED**] had been completed on 31 March 2025 without taking into account of the Shares may be issued upon exercise of the [**REDACTED**].

(4) For illustrative purpose, the estimated net [**REDACTED**] from the [**REDACTED**] is converted from the Hong Kong Dollar into Renminbi and the unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to the equity shareholders of the Company per Share is converted from Renminbi into Hong Kong Dollar at the exchange rate of HK$1 to RMB0.9140, the exchange rate set by PBOC prevailing on 17 June 2025. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate.

(5) Except as disclosed above, and the subsequent issue of shares to pay dividend as set out in Note 33 of Appendix I to this document, no adjustment has been made to the unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity shareholders of the Company to reflect any trading results or other transactions entered into subsequent to 31 March 2025 including but not limited to the payment of a dividend of RMB2 per share in cash as set out in Note 33 of Appendix I to this document. Had such dividend being paid in cash on 31 March 2025, our unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity shareholders of the Company as of 31 March 2025 would have been decreased by approximately RMB[**REDACTED**], and our unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share would have been decreased by approximately RMB[**REDACTED**] (HK$[**REDACTED**]).

[**REDACTED**]

[REDACTED]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in the H shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax (the "VAT"), stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation in Mainland China

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "IIT Law"), latest amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance (the "MOF"), the State Administration of Taxation (the "SAT") and the CSRC on September 7, 2015 and effective on September 8, 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for more than one year, the income from dividends and bonuses shall be temporarily exempt from individual income tax. Where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for not more than one month, the income from dividends and bonuses shall be included in the taxable income in full amount; or if the individual holds the stocks for more than one month but not more than one year, the income from dividends and bonuses shall be temporarily included in the taxable income at the reduced rate of 50%. Individual income tax on the aforesaid income shall be calculated and collected at the uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income"), executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the "Fifth Protocol"), issued by the SAT and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law"), amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the "Implementation Regulations of the EIT Law"), last revised on December 6, 2024 and effective on January 20, 2025, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and effective on November 6, 2008, where a Chinese resident enterprise pays dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax thereon at the uniform rate of 10%. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the SAT and effective July 24, 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

Tax related to equity transfer income

Individual Investors

Under the IIT Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the SAT and became effective on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. Although the IIT Law and its implementation rules have not stated whether it will continue exempting individual income tax on income of individuals from transfer of listed shares, the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (the "Notice") promulgated jointly by the MOF, the SAT and the CSRC on December 31, 2009 and implemented on the same day, the Notice of State Taxation Administration of the PRC on Issues Relating to Levying and Payment of Individual Income Tax on Income from Transfer of Moratorium Shares (《國家稅務總局關於限售股轉讓所得個人所得稅徵繳有關問題的通知》) promulgated by the SAT of the PRC on January 18, 2010 and effective from January 18, 2010 and the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) promulgated by the MOF, the SAT and CSRC on November 10, 2010 and effective from November 10, 2010, states that individuals' income from transfer of listed shares on certain domestic stock exchanges (including Shenzhen Stock Exchange) shall continue being exempting from individual income tax, except for the shares subject to sales restriction. As at the date of this Document, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. In practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Under the EIT Law and its implementation rules, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including gains derived from the disposal of shares in a PRC resident enterprise. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy and Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on October 31, 2014 and effective on November 17, 2014, and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on November 5, 2016 and effective on December 5, 2016, mainland enterprise investors' income from the dividends and bonuses of the investment in stocks listed on the HKSE through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect shall be included into the total income and shall be calculated and levied according to the EIT law. In particular, income of mainland resident enterprises obtained from the dividends and bonuses by holding H shares for over twelve months consecutively shall be exempted from enterprise income tax according to the EIT law. Enterprises of H shares shall not withhold income tax of dividends and bonuses for mainland enterprise investors. The taxes payable shall be declared and paid by enterprises on their own.

For dividends and bonuses received by PRC individual investors investing in H shares listed on the HKSE through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, H-share companies shall submit an application to China Securities Depository and Clearing Corporation Limited (the "CSDC"), which shall provide H-share companies with a register of PRC individual investors. H-share companies shall withhold individual income tax at a rate of 20%. Individual investors who have paid withholding tax outside the PRC may apply for tax credits at the competent tax authorities of the CSDC with valid tax deduction certificates. Individual income tax is levied on dividend and bonus income derived by PRC security investment funds from investing in stocks listed on the HKSE through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect in accordance with the above provisions.

Pursuant to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the SAT and the CSRC on December 4, 2019 and effective on December 5, 2019, the Announcement on Extension of the Individual Income Tax Policy With Respect to Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Exchange Connectivity Mechanisms as well as Mutual Recognition of Funds between the Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated and implemented on August 21, 2023, and the Announcement on Continued Implementation of Relevant Preferential Individual Income Tax Policies (《關於延續實施有關個人所得稅優惠政策的公告》) promulgated and effective on January 16, 2023, the income of Chinese mainland individual investors, obtained as price difference of transferring, from investing in stocks listed on the HKSE through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, as well as from trading shares of Hong Kong funds through the Mutual Recognition of Funds, may be temporarily exempt from individual income tax from December 5, 2019 to December 31, 2027.

Stamp Duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) (the "Stamp Tax Law"), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, the disposal of H Shares by non-mainland China investors outside of the mainland China is not subject to the requirements of the Stamp Tax Law.

Estate duty

According to PRC law, no estate duty is currently levied in the mainland China.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, within the territory of the PRC, enterprises, and other organizations which derive income (hereinafter referred to collectively as "enterprises"), shall be taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with provisions of the EIT Law. The rate of enterprise income tax shall be 25%.

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the MOF and the SAT are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

Enterprises are categorized into resident enterprises and non-resident enterprises. Where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China, but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay enterprise income tax on the portion of its income sourced from inside China. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Meanwhile, any gains realized on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended by the State Council and effective on November 19, 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) amended by the MOF on October 28, 2011 and effective on November 1, 2011, entities and individuals engaging, within the territory of the PRC, in the sale of goods, supply of labor services in processing, repairing and maintenance (hereinafter referred to as "labor services"), sale of services, intangible assets and immovable properties, and importation of goods are taxpayers of VAT and shall be subject to VAT. VAT rate is set at 17% for the sale of goods, supply of labor services, leasing services of tangible movable property and importation of goods, unless otherwise specified in the aforesaid regulations. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will become effective on January 1, 2026 and the above interim regulations will be abolished.

According to Circular on Adjustment of VAT Rate (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the SAT on April 4, 2018, and effective as of May 1, 2018, in the case of VAT taxable sales or goods import by taxpayer, the original tax rates of 17% and 11% shall be adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (2019 No. 39 of MOF, SAT and General Administration of Customs), promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, the tax rate of 16% applicable to the VAT taxable sale or import of goods by a general VAT taxpayer shall be adjusted to 13%; and the tax rate of 10% applicable thereto shall be adjusted to 9%.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and effective on August 5, 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. The foreign exchange income under the current items may be reserved or sold to financial institutions operating the foreign exchange sale or settlement business. Before reserving the foreign exchange income under the capital items or selling it to any financial institution operating the foreign exchange sale or settlement business, the approval of the competent foreign exchange administrative organ shall be obtained, unless it is otherwise provided by the state.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Notice of the SAFE on Issues concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE and effective on December 26, 2014, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as "domestic companies") listed overseas are as follows:

(i) The SAFE, its branch offices, and foreign exchange administration departments (hereinafter referred to as "foreign exchange authorities") shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conducts involved in overseas listing.

(ii) A domestic company shall, within 15 working days from the date of end of its overseas listing, handle registration formalities for overseas listing at the foreign exchange authority at its place of registration (hereinafter referred to as "local foreign exchange authority") upon the strength of the relevant materials.

(iii) After a domestic company gets listed overseas, if any of its domestic shareholders intend to increase or decrease overseas shares, the domestic shareholder shall handle overseas shareholding registration formalities with the local foreign exchange authority upon the strength of the relevant materials within twenty working days prior to the intended share increase or decrease.

(iv) A domestic company (excluding banking financial institutions) shall, upon the strength of its overseas listing registration certificate, open a "special foreign exchange account of a domestic company exclusively for overseas listing" at a local bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance and transfer of funds for the business concerned.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on February 13, 2015 and recently amended with immediate effect on December 30, 2019, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment (hereinafter collectively referred to as "foreign exchange registration of direct investment") pursuant to this Notice and Operating Guidelines for Foreign Exchange Business in Direct Investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on June 9, 2016 and recently amended with immediate effect on December 4, 2023, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" to this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

I. THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the "Constitution"), and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》) (the "Legislation Law"), which was amended by the NPC on March 13, 2023 and became effective on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and revise basic laws governing criminal offenses, civil matters, state institutions and other matters. The SCNPC is empowered to formulate and revise laws other than the ones to be formulated by the NPC, and when the NPC is not in session, shall supplement and revise the laws formulated by the NPC, on the premise that the supplementation and revision are not in contradiction to the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations in accordance with the Constitution and the law. The people's congresses and their committees of the provinces, autonomous regions and municipalities directly under the Central Government may, based on the specific conditions and actual needs of their respective administrative regions, formulate local regulations, provided that such regulations do not contravene the Constitution, laws or administrative regulations. The people's congresses and their standing committees of the cities divided into districts may, based on their specific local conditions and actual needs, formulate local regulations on matters such as urban-rural development and management, promotion of ecological conservation, historic and cultural preservation, and community-level governance provided that they do not contravene the Constitution, laws, administrative regulations, or the local regulations of their respective provinces or autonomous regions. Where a law otherwise provides for a matter for which cities divided into districts may formulate local regulations, the provisions of the said law shall prevail. Before coming into effect, local regulations made by the cities divided into districts shall be submitted to and approved by the standing committees of the people's congresses of their corresponding provinces or autonomous regions.

The standing committees of the people's congresses of the provinces or autonomous regions shall review the legality of the local regulations submitted for approval, and shall approve them within four months if these regulations are found in no contravention of the Constitution, laws, administrative regulations, or the local regulations of their respective provinces or autonomous regions. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the local ethnic group(s). The ministries and commissions under the State Council, the People's Bank of China, the National Audit Office, authorities directly under the State Council with administrative management functions, as well as the bodies prescribed by law, may formulate rules within the scope of their respective authorities in accordance with laws and the State Council's administrative regulations, decisions, and orders.

The Constitution has the highest authority. No laws, administrative regulations, local regulations, autonomous regulations, separate regulations, or rules may contravene the Constitution. Laws are superior to administrative regulations, local regulations, and rules. Administrative regulations are superior to local regulations and rules. Rules formulated by the people's governments of the provinces or autonomous regions are superior to rules formulated by the people's governments of cities divided into districts and autonomous prefectures within the administrative regions of the provinces or autonomous regions.

The NPC has the authority to modify or annul any inappropriate law formulated by its Standing Committee, and to annul any autonomous regulation or separate regulation approved by its Standing Committee that contravenes the Constitution or the provisions of the second paragraph of Article 85 of this Law; the SCNPC has the authority to annul any administrative regulation that contravenes the Constitution or laws, to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government that contravenes the Constitution or the provisions of the second paragraph of Article 85 of this Law; the State Council has the authority to modify or annul any inappropriate departmental rule and local government rule; the people's congress of a province, an autonomous region or a municipality directly under the Central Government has the authority to modify or annul any inappropriate local regulation formulated or approved by its standing committee; the standing committee of a local people's congress has the authority to annul any inappropriate rule formulated by the people's government at the same level; the people's government of a province or an autonomous region has the authority to modify or annul any inappropriate rule formulated by people's governments at the next lower level.

According to the Constitution and the Legislation Law, the power of legal interpretation belongs to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on June 10, 1981, the Supreme People's Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

II. PRC JUDICIAL SYSTEM

According to the Constitution and Organic Law of People's Courts of the PRC (《中華人民共和國人民法院組織法》) revised by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the PRC People's Court is made up of the Supreme People's Court, local people's courts, and other special people's courts. Local people's courts at various levels are divided into high people's courts, intermediate people's courts and primary people's courts. Primary people's courts may establish dispatched people's tribunals according to their local situations, population size and caseloads. The Supreme People's Court is the highest adjudicatory organ. The Supreme People's Court shall oversee the adjudicatory work of local people's courts at all levels and of special people's courts; people's courts at higher levels shall oversee the adjudicatory work of those at lower levels.

According to the Constitution and Organic Law of People's Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》) revised by the SCNPC on October 26, 2018 and becoming effect on January 1, 2019, the people's procuratorates are the state's legal oversight organs. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of local people's procuratorates at all levels and of special people's procuratorates; people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) adopted by the SCNPC on September 1, 2023 and effective on January 1, 2024 sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed, or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

Foreign nationals, stateless persons and foreign enterprises and organizations that institute or respond to proceedings in a people's court shall have the same procedural rights and obligations as citizens, legal persons and other organizations of the PRC. If the courts of a foreign country impose restrictions on the civil procedural rights of citizens, legal persons and other organizations of the PRC, the people's courts of the PRC shall implement the principle of reciprocity in respect of the civil procedural rights of citizens, enterprises and organizations of that foreign country. An alien, stateless person or foreign enterprise or organization that needs to be represented by a lawyer as his or its agent ad litem in instituting and responding to an action in a people's court shall appoint a lawyer of the PRC. Pursuant to international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity, people's courts and foreign courts may request mutual assistance in the service of legal documents, investigation, collection of evidence, and other acts in connection with litigation, on each other's behalf. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest of the PRC, the people's court shall refuse to comply with the request.

The parties must perform civil judgments or rulings that have become legally effective. Where a party refuses to perform a ruling or judgment, the other party may apply to the people's court for execution. The time limit applicable to applications to execute a judgment is two years. The provisions relating to the suspension or discontinuance of the litigation limitation period shall be applicable to the suspension or discontinuance of the limitation period for applications to execute a judgment.

If a party applies for execution of a legally effective judgment or ruling made by a people's court and the party subject to execution or his property is not located within the territory of the PRC, the applicant may directly apply for recognition and execution to the foreign court with jurisdiction. Having received an application or a request for recognition and execution of a legally effective judgment or ruling of a foreign court, a people's court shall review such judgment or ruling pursuant to international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity. If, upon such review, the people's court considers that such judgment or ruling neither violates the basic principles of the laws of the PRC nor harms national sovereignty, security, and the public interest, it shall rule to recognize its effectiveness.

III. THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company established in the PRC seeking a listing on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The PRC Company Law (《中華人民共和國公司法》) (the "Company Law") was adopted by the Fifth Session of the Standing Committee of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest revised Company Law came into effect on July 1, 2024.

Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") and 5 supporting guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023 and were applicable to the direct and indirect overseas share subscription and listing of domestic companies.

According to the Trial Measures and its interpretative guidelines, where a domestic company directly offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidelines for Articles of Association"), in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) which ceased to apply from March 31, 2023. The Guidelines for Articles of Association were promulgated by the CSRC on December 16, 1997 and last amended on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

"A joint stock limited company" means a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notified all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only the presence of promoters and subscribers holding more than 50% of the total number of shares. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the board of directors and the supervisory committee of a company. The aforesaid matters shall be resolved by more than 50% of the votes to be casted by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or with intellectual property rights, land use rights, shareholding or claims.

The Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value stock is issued, the proceeds from the issuance of the new stocks shall be included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) to prepare a balance sheet and a property list;

(ii) a company makes a resolution at shareholders' meeting to reduce its registered capital;

(iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital;

(iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice;

(v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares. Except for any following circumstance:

(i) reducing the registered capital;

(ii) merging with other company that holds the shares of the company;

(iii) using the shares for employee stocks plan or equity incentives;

(iv) with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of our Company, the right to demand our Company to acquire the shares held by them;

(v) using the shares for the conversion of convertible corporate bonds issued by the listed company;

(vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our Company held by a company shall not exceed 10% of the total issued shares of a company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder should affect a transfer of his shares on securities established exchange according to the law or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of shareholder's general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of accompany are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and Guidelines for Articles of Association the rights of a shareholder of ordinary shares of a company include:

(i) to receive dividends and other forms of distributions in proportion to their shareholdings;

(ii) to attend or appoint a proxy to attend shareholders' meetings and to exercise voting rights;

(iii) to supervise and manage a company's business operations, and to present proposals or to raise inquiries;

(iv) to transfer shares in accordance with laws, administrative regulations and the provisions of the articles of association;

(v) to inspect and copy the company's articles of association, share register, minutes of shareholder's general meetings, resolutions of meetings of the board of directors, and financial and accounting reports and to make proposals or enquiries on the company's operations;

(vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;

(vii) other rights conferred by laws, administrative regulations and the articles of association.

The obligations of a shareholder of ordinary shares of a company include:

(i) to comply with the articles of association;

(ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

(iii) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;

(iv) other obligations conferred by laws, administrative regulations and the articles of association.

Shareholders' Meetings

Under the Company Law and Guidelines for Articles of Association, the shareholders' meeting of a joint stock limited company is made up of all shareholders. The shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers:

(i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;

(ii) to examine and approve reports of the board of directors;

(iii) to examine and approve reports of the supervisory committee;

(iv) to examine and approve a company's profit distribution plans and loss recovery plans;

(v) to resolve on the increase or reduction of a company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

(vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;

(viii) to amend the company's articles of association;

(ix) to make a resolution on the Company's engagement or dismissal of an accounting firm;

(x) to approve upon deliberation the guarantees under Article 47 of the Guidelines for Articles of Association;

(xi) to deliberate purchases and sales of significant assets within a year exceeding 30% of the Company's total assets as audited in the latest period;

(xii) to approve upon deliberation changes in the use of funds raised;

(xiii) to deliberate equity incentive plans and employee stock ownership plans;

(xiv) other functions and powers specified in provision of the articles of association.

Under the Company Law, annual shareholders' meetings are required to be held once every year. An extraordinary shareholders' meeting is required to be held within two months after the occurrence of any of the following circumstances:

(i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;

(ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;

(iii) shareholders individually or jointly holding 10% or more of the company's shares request;

(iv) when deemed necessary by the Board of directors;

(v) the Supervisory Committee proposes to convene the meeting;

(vi) other circumstances as stipulated in the articles of association.

Shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory committee should convene and preside over shareholders' meeting in a timely manner. If the supervisory committee fails to convene and preside over shareholders' meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over shareholders' meeting.

If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the supervisory committee should, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after receiving the proposal and announce the contents of the interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the shareholders' meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before the meeting for every meeting. The Board exercises the following functions and powers:

(i) to convene shareholder's general meetings and report its work to the shareholder's general meetings;

(ii) to implement the resolutions of the shareholder's general meeting;

(iii) to decide on a company's business plans and investment plans;

(iv) to formulate a company's profit distribution plan and loss recovery plan;

(v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds;

(vi) to formulate plans for cake, division, dissolution or change of corporate form of a company;

(vii) to decide on the internal management structure of a company;

(viii) to decide on the appointment or dismissal of the manager of a company and their remuneration;

(ix) To decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration;

(x) to formulate a company's basic management system;

(xi) other functions and powers specified in the articles of association or granted by the shareholders' meeting.

Board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is:

(i) a person without capacity or with restricted capacity;

(ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(iv) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and

(v) being listed as one of "dishonest persons subject to enforcement" by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairman, who shall be elected by more than half of all the directors. The chairman shall exercise the following functions and powers (including but not limited to):

(i) to preside over shareholders' meetings and convene and preside over board meetings;

(ii) to supervise, promote and oversee the implementation of resolutions of the board of directors;

(iii) to exercise other powers conferred by the Board.

Supervisors

Under the Company Law, a joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee under the board of directors comprising directors to exercise the powers and functions of the supervisory committee, in place of a supervisory committee or supervisors. Otherwise, a joint stock limited company shall have a supervisory committee consisting of three or more members. The members of the supervisors committee shall include representatives of shareholders and at an appropriate percentage, representatives of employees of the corporation, and the percentage of representatives of employees shall not be less than one-third, with the specific percentage prescribed in the company bylaws. The representatives of employees on the supervisors committee are democratically elected by the employees of the corporation through the assembly of representatives of employees or assembly of employees or otherwise. No director or senior management may concurrently hold the post of supervisor.

According to Relevant Arrangements for the Transitional Period for Implementing the Supporting Systems and Rules for the New Company Law, issued by CSRC on December 27, 2024, a listed company shall, by January 1, 2026, provide in its articles of association that the audit committee will be set up under its board of directors to exercise the functions and powers of the supervisory committee stipulated in the Company Law, without establishment of the supervisory committee or supervisors in accordance with the Company Law, the Implementing Provisions and the supporting systems and rules etc. promulgated by the CSRC. Before adjusting the establishment of its internal supervision bodies by a listed company, the supervisory committee or supervisors of the listed company shall continue to comply with the provisions of the CSRC on the supervisory committee or supervisors.

The supervisory committee exercises the following powers:

(i) to examine the company's financial affairs;

(ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of shareholders' meetings;

(iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company's interest;

(iv) to propose the convening of extraordinary general meetings, and to convene and preside over shareholders' meetings when the Board fails to perform the duty of convening and presiding over shareholders' meetings under the Company Law;

(v) to submit proposals to the shareholders' meeting;

(vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law;

(vii) to review the Company's periodical reports prepared by the board of directors and making written comments thereon after review;

(viii) to conduct investigations at its discretion if it discovers any abnormal operations of the Company; and when necessary, at its discretion, retain an accounting firm, a law firm, or any other professional institution to assist in its work, at the expenses of the Company;

(ix) other functions and powers specified in the articles of association.

Managers and Senior Management

Under the Company Law, a company should have a manager who is appointed or removed by the board of directors. The manager is responsible to the board of directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the board of directors. The manager attends the meetings of the board of directors as a non-voting member.

According to the Company Law, senior management shall refer to the manager, deputy manager(s), financial controller, secretary of the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

Directors, supervisors and senior management are prohibited from:

(i) to embezzle any property or misappropriate any funds of the company;

(ii) to deposit any funds of the company in an account opened in his or her own name or in the name of any other individual;

(iii) to commit bribery or accept any other illegal revenue by taking advantage of his or her powers;

(iv) to accept and pocket commissions on transactions between others and the company;

(v) to illegally disclose any confidential information of the company; and

(vi) otherwise violate the duty of loyalty to the company.

A director, supervisor, or senior management of a company who directly or indirectly enters into a contract or conducts a transaction with the company shall report to the board of directors or the shareholders' meeting on the matters related to the contracting or transaction, and a resolution of the board of directors or the shareholders' meeting regarding the matters shall be adopted in accordance with the company bylaws.

Where a close relative of a director, supervisor, or senior management of a company, an enterprise directly or indirectly controlled by a director, supervisor, or senior management of a company or a close relative of him or her, or an affiliate that is otherwise affiliated to a director, supervisor, or senior management of a company enters into a contract or conducts a transaction with the company, the provision of the preceding paragraph applies.

A director, supervisor, or senior management may not take advantage of his or her position to seek any business opportunity belonging to the company for himself or herself or any other person, except under any of the following circumstances:

(i) The director, supervisor, or senior management reports it to the board of directors or the shareholders' meeting, and in accordance with the company bylaws, an affirmative resolution of the board of directors or the shareholders' meeting regarding it is adopted; or

(ii) The company is unable to use the business opportunity, in accordance with a law, an administrative regulation, or the company bylaws.

A director, supervisor, or senior management of a company may not engage in the same kind of business as the company for his or her own account or for the account of any other person without reporting it to the board of directors or the shareholders' meeting and without a resolution of the board of directors or the shareholders' meeting regarding it adopted in accordance with the company bylaws.

A director, supervisor, or senior executive of a company who violates a law, an administrative regulation, or the company bylaws in executing his or her functions, causing any loss to the company, is liable in damages.

Finance and Accounting

Under the Company Law, a company shall establish its financial affairs and accounting system in accordance with laws, administrative regulations, and the provisions issued by the finance department of the State Council. A company shall, at the end of each fiscal year, prepare a financial accounting report, which shall be audited by an accounting firm in accordance with the law. The financial accounting report shall be prepared in accordance with laws, administrative regulations, and the provisions issued by the finance department of the State Council.

The financial accounting report of a joint stock limited company shall be placed at the corporation for consultation by the shareholders 20 days before the annual shareholders' meeting is held; and a joint stock limited company offering shares to the public shall announce its financial accounting report.

Where a company distributes its after-tax profits of the current year, it shall set aside 10% of the profits as funds of the statutory reserve of the company. The company may discontinue setting aside funds of the statutory reserve if the cumulative amount of the statutory reserve is 50% or more of the registered capital of the company. Where the statutory reserve of a company is not sufficient to cover loss from the previous years of the company, the profits of the current year shall be used for covering loss before the funds of the statutory reserve are set aside under the preceding paragraph. After setting aside funds of the statutory reserve from its after-tax profits, a company may, upon resolution of the shareholders' meeting, set aside funds of a discretionary reserve from its after-tax profits.

The remaining after-tax profits after loss is covered and reserve funds are set aside may be distributed by a corporation in proportion to the shares held by the shareholders, except as otherwise prescribed in the company bylaws.

The premium obtained by a company from an offering of shares at an offering price above the par value of stock, the portion of proceeds from an offering of no-par shares which is not included in the registered capital, and other items included in the capital reserve as prescribed by the finance department of the State Council shall be listed as the capital reserve of the company.

The reserves of a company shall be used for covering loss and expanding production and other operations or be converted to increase the registered capital of the company. Where reserves are used to cover loss of a company, the discretionary and statutory reserves shall be first used; and if they are insufficient for covering loss, the capital reserve may be used according to the applicable provisions. Where the statutory reserve is converted to increase the registered capital, the remainder of the reserve may not be less than 25% of the registered capital of the company before the conversion.

A company may not create any account books other than the statutory account books.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal by a company of an accounting firm undertaking the audit of the company shall be decided by the shareholders' meeting, board of directors, or supervisors committee in accordance with the provisions of the company bylaws. When the shareholders' meeting, board of directors, or supervisors committee votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinions. A company shall provide the accounting firm engaged with truthful and complete accounting vouchers, account books, financial accounting reports, and other accounting materials, and may not decline provision, conceal any materials, or provide any false materials.

The Guidelines for Articles of Association provides that the company shall guarantee the provision of true and complete accounting documents, accounting books, financial accounting reports, and other accounting materials to the accounting firm engaged, and may not refuse to provide, conceal, or provide false materials. The auditing fees payable to the accounting firm shall be subject to the decision of the shareholders' meeting.

Profit Distribution

Where a company distributes profits to the shareholders in violation of this Law, the shareholders shall return the profits so distributed to the company; and if any loss is thus caused to the company, the shareholders and liable directors, supervisors, and senior executives shall pay damages.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the business duration prescribed in the company bylaws expires or any other cause of dissolution prescribed in the company bylaws occurs;

(ii) the shareholders' meeting adopts a resolution to dissolve the company;

(iii) the combination or division of the company requires dissolution of the company;

(iv) the company forfeits its business license, is ordered to close down, or is abolished in accordance with the law;

(v) where the operational management of a company encounters any difficulty that is so serious that the continuous existence of the company will cause any major loss to the interests of the shareholders, which cannot be solved by other means, a shareholder or shareholders holding ten percent or more of the voting rights of the company may petition a people's court for dissolution of the company.

Where any of the causes of dissolution of a company set out in the preceding paragraph occurs, the company shall, within ten days, publish the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where any of the circumstances in subparagraphs (1) and (2) of paragraph 1 of the preceding article occurs to a company, and the company has not distributed property to the shareholders, the company may continue to exist by amending the company bylaws or by a resolution of the shareholders' meeting. The amendment of the company bylaws or a resolution of the shareholders' meeting under the preceding paragraph must be adopted by two-thirds or more of the voting rights of the shareholders present at a shareholders' meeting in the case of a corporation.

Where a company is dissolved under subparagraph (1), (2), (4), or (5) above, the company shall be liquidated. The directors of the company as the liquidation obligors shall, within 15 days of occurrence of the cause of dissolution, form a liquidation group to conduct liquidation. The liquidation group are composed of the directors, except as otherwise prescribed in the company bylaws or unless any other person is appointed to the liquidation group by a resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the company or any creditor, the liquidation obligors are liable in damages.

The liquidation group fails to be formed within the prescribed time limit or liquidation is not conducted after the formation of a liquidation group, an interested person may petition a people's court to designate the relevant persons to form a liquidation group to conduct liquidation. The people's court shall accept the petition, and organize the liquidation by the liquidation group in a timely manner.

The liquidation group exercises the following powers during liquidation:

(i) identifying the property of the company and preparing respectively a balance sheet and a list of property;

(ii) notifying creditors and issuing an announcement;

(iii) handling the unfinished business of the company related to liquidation;

(iv) identifying and paying the taxes owed and the taxes arising in the process of liquidation;

(v) identifying and disposing of claims and debts.

(vi) distributing the remaining property of the company after paying off debts;

(vii) participating in civil litigations on behalf of the company.

The liquidation group shall, within ten days of its formation, notify the creditors, and within 60 days of its formation, issue a public announcement in a newspaper or the National Enterprise Credit Information Publicity System. The creditors shall, within thirty days of receipt of the notice or within 45 days of issuance of the announcement if they fail to receive the notice, declare their claims to the liquidation group.

After the liquidation expenses, wages of employees, social insurance expenses, and statutory indemnities are paid, the taxes owed are paid, and the debts of the company are repaid, the residual property of the company may be distributed in proportion to the capital contributions of the shareholders in the case of a limited liability company or in proportion to the shares held by the shareholders in the case of a corporation.

During liquidation, the company continues to exist, but may not conduct any operation irrelevant to liquidation. The property of the company may not be distributed to the shareholder before the payment and repayment under the preceding paragraph.

Where the liquidation group discovers that the property of the company is insufficient for paying off debts after identifying the property of the company and preparing a balance sheet and a list of property, the liquidation group shall, in accordance with the law, petition a people's court for bankruptcy liquidation. After the people's court accepts the petition for bankruptcy, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After completion of liquidation of a company, the liquidation group shall prepare a liquidation report, submit the report to the shareholders' meeting or the people's court for confirmation, submit the confirmed report to the company registration authority, and apply for cancellation of company registration.

The members of a liquidation group shall, in performing their liquidation duties, have the duty of loyalty and duty of diligence. Where the members of the liquidation group are slow to perform their liquidation duties, causing any loss to the company, they are liable in damages. Where the members of the liquidation group cause any loss to the creditors intentionally or with gross negligence, they are liable in damages.

Where a company fails to apply to the company registration authority for cancellation of company registration three years after its forfeiture of business license, ordered closedown, or abolition, the company registration authority may issue an announcement through the National Enterprise Credit Information Publicity System, and the period of announcement shall not be less than 60 days. If there is no objection raised upon expiry of the period of announcement, the company registration authority may cancel the registration of the company.

Overseas Listing

According to the Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within 3 working days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed pursuant to provisions in the first paragraph of this Article. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within 20 working days after receiving the filing documents, conclude the filing procedure and publish the filing results on the CSRC website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request courtesy translation supplementation and amendment thereto within 5 working days after receiving the filing documents. The issuer should then complete supplementation and amendment within 30 working days.

Loss of Share Certificates

A shareholder whose stock certificate is stolen, lost, or destroyed may request a people's court to declare invalidation of the stock certificate under the procedure for announcement to urge declaration of claims prescribed in the Civil Procedural Law. After the people's court declares invalidation of the stock certificate, the shareholder may apply to the corporation for reissuance of a stock certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "PRC Securities Law"), which was amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of voluntary or mandatory delisting, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event.

IV. SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the mainland China or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. In April 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on December 25, 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The PRC Securities Law provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

V. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law"), amended by the SCNPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. The parties shall perform the arbitration award. If a party fails to perform the arbitration award, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). If a party applies for enforcement of a legally effective arbitration award made by a foreign-related arbitration commission and if the party against whom the enforcement is sought or such party's property is not within the territory of the People's Republic of China, he shall directly apply to a competent foreign court for recognition and enforcement of the award.

Where an effective arbitration award rendered outside the territory of the People's Republic of China requires recognition and enforcement by a people's court, a party may directly apply to the intermediate people's court at the place of domicile of the party subject to enforcement or at the place where the property thereof is located. If the domicile of the person subject to enforcement or the property thereof is not within the territory of the People's Republic of China, the party may file an application with the intermediate people's court at the place of domicile of the applicant or at the place that has appropriate connections with the dispute involved in the arbitration award. The people's court shall process the application in accordance with an international treaty concluded or acceded to by the People's Republic of China or under the principle of reciprocity.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

This appendix summarizes the principal provisions of the Company's Articles of Association. As the primary purpose of this appendix is to provide potential investors with an overview of the Company's Articles of Association, it does not necessarily contain all of the information that is important to the investors.

ISSUANCE OF SHARES

Shares of the Company adopt the form of share certificates. The issue of the shares of the Company shall be based on the principle of openness, fairness and impartiality, and each share of the same class shall rank pari passu with each other. Each share of the same class issued at the same time shall be issued under the same condition and at the same price; the same price shall be paid for each of the shares subscribed for by any subscriber.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

According to the operation and development needs of the Company, subject to the laws, regulations, and the provisions of the securities regulatory rules of the place where the Company's shares are listed, the Company may increase its capital in the following ways upon approval of resolutions at the shareholders' meeting:

(i) issuance of shares to non-specific targets;

(ii) issuance of shares to specific targets;

(iii) distribution of bonus shares to existing shareholders;

(iv) conversion of the reserve funds into share capital;

(v) other means stipulated by the laws, administrative regulations and the securities regulatory authorities in the place where the Company's shares are listed.

The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant regulations as well as the Company's Articles of Association.

Repurchase of Shares

The Company shall not purchase its own shares, unless otherwise under the circumstances:

(i) reducing the Company's registered share capital;

(ii) merging with other companies which hold the Company's shares;

(iii) using the shares for an employee stock ownership plan or equity incentive plan;

(iv) purchasing its shares from its shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon the shareholders' request;

(v) using shares for conversion of convertible corporate bonds issued by the Company;

(vi) necessary for the Company to maintain its value and protect the interests of the shareholders;

(vii) other circumstances as permitted by the laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

The purchase of its own shares by the Company may be carried out through public centralized trading, or other methods recognized by the laws, administrative regulations and the securities regulatory authorities in the place where the Company's shares are listed.

If the Company purchase its own shares under the circumstances stipulated in (iii), (v) or (vi) above, it shall conduct the share purchase through public centralized trading.

A resolution shall be passed at a shareholders' meeting when the Company is to purchase its own shares under the circumstances stipulated in (i) and (ii) above. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the board of directors of the Company shall be passed by more than two-thirds of the directors attending the meeting of the board of directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting, and on the premise of complying with the securities regulatory rules of the place where the Company's shares are listed.

For A shares, on the premise of complying with the securities regulatory rules of the place where the Company's shares are listed, after the Company has purchased its own shares, the shares purchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above); or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company purchases its own shares under the circumstances set out in (iii), (v) and (vi) above, the total number of its own shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years. For H shares, where there are other provisions on matters related to share repurchase as stipulated by the laws, regulations and the securities regulatory authorities in the place where the Company's shares are listed, such provisions shall prevail.

Transfer of Shares

Shares of the Company shall be transferred in accordance with the laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association.

The Company shall not accept any of its own shares as the subject of pledge.

A shares issued prior to the initial public offering of shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on any stock exchange.

The directors and senior management of the Company shall declare the Company of their holdings of shares of the Company and the changes therein. The shares of a class transferred by them during each year of their tenures shall not exceed 25% of their total holdings of the Company's shares of the same class. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares of the Company held by them shall not be transferred within half a year from their departure from the Company.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration and settlement authorities in the place where the Company's shares are listed. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's shares. The original register of shareholders of H shares listed in Hong Kong is kept in Hong Kong and is available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of the Company's shareholders are as follows:

(i) to receive dividends and other forms of interest distribution according to the number of shares held;

(ii) to legally require, hold, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights;

(iii) to supervise business operations of the Company, and provide suggestions or submit queries;

(iv) to transfer, grant or pledge the Company's shares held according to the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association;

(v) to read and copy the Articles of Association, the register of shareholders, shareholders' meeting minutes, resolutions of the meetings of the board of directors and financial and accounting reports. Qualified shareholders may inspect the Company's accounting books and vouchers;

(vi) to participate in the distribution of its own remaining assets according to the proportion of shares held upon the termination or liquidation of the Company;

(vii) to require the Company to purchase its shares from shareholders who vote against any resolutions adopted at shareholders' meetings concerning the merger and division of the Company;

(viii) other rights conferred by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of the Articles of Association.

Where any shareholder requires to read or copy the relevant information of the Company, he/she/it shall do so in accordance with the Company Law, the Securities Law and other laws as well as the provisions of the administrative regulations.

If the content of the resolution of the Company's shareholders' meeting or board of directors violates laws or administrative regulations, the shareholders have the right to request the people's court to clarify it invalid.

If the convening procedures or voting methods of the shareholders' meeting or the meeting of the board of directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the people's court to revoke the resolution within 60 days from the date on which the resolution is made. However, the resolution shall not be revoked if there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the meeting of the board of directors resulting in no substantial impact on the resolution.

A resolution of the shareholders' meeting or the board of directors of the Company shall not be valid under any of the following circumstances:

(i) failure to convene a shareholders' meeting or a meeting of the board of directors to make a resolution;

(ii) no resolution was voted on at the shareholders' meeting or the meeting of the board of directors;

(iii) the number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association;

(iv) the number of persons consenting to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or the Articles of Association.

The obligations of shareholders are as follows:

(i) to abide by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(ii) to pay subscription monies as per the shares subscribed for and the method of subscription;

(iii) not to withdraw their share capital unless prescribed otherwise in the laws and regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the Company's creditors;

(v) other obligations that shall be undertaken as prescribed in the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder of the Company who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

(i) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;

(ii) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;

(iii) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(iv) not to appropriate the Company's funds in any way;

(v) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(vi) not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(vii) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, external investment or any other means;

(viii) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(ix) other provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

General Provisions for Shareholders' Meetings

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

(i) to elect or replace directors and to decide on matters relating to the remuneration of directors;

(ii) to consider and approve reports of the board of directors;

(iii) to consider and approve the profit distribution plans and loss recovery plans of the Company;

(iv) to resolve on the increase or reduction of the registered capital of the Company;

(v) to resolve on the issuance of bonds by the Company;

(vi) to resolve on the merger, division, dissolution, liquidation or change of form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the appointment and dismissal of the accounting firm engaged in the audit work of the Company;

(ix) to review and approve the guarantees prescribed under Article 48 of the Articles of Association;

(x) to consider the Company's acquisition or disposal of material assets within one year with a value exceeding 30% of the latest audited total assets of the Company;

(xi) to consider and approve changes in the use of proceeds from fund raising;

(xii) to review and approve the share incentive scheme and employee stock ownership plans;

(xiii) to consider and approve the related-party transaction with an amount (other than those of provision of guarantees) proposed to be incurred between the Company and related persons accounting for over 1% of the latest audited total assets or market value of the Company and exceeding RMB30 million;

(xiv) to consider and approve other matters to be resolved at the shareholders' meetings as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following acts of the Company's external guarantees shall be proposed for consideration and approval at the shareholders' meeting after being reviewed and approved by the board of directors:

(i) the single guarantee for an amount over 10% of the latest audited net assets of the Company;

(ii) any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the latest audited net assets of the Company;

(iii) any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(iv) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the latest audited total assets of the Company;

(v) any guarantee to be provided by the Company to others with an amount exceeding 30% of the latest audited total assets of the Company based on the principle of cumulative calculation of guarantees' amount for 12 consecutive months;

(vi) the guarantee to be provided to a shareholder, or to an actual controller and related party thereof;

(vii) other guarantees stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

When a shareholders' meeting considers a resolution on the provision of guarantees for any shareholder, de facto controllers and the related parties thereof, such shareholder or the shareholder controlled by the de facto controllers shall not participate in such voting. The resolution must be approved by more than half of the voting rights held by the other shareholders present at the shareholders' meeting.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) the number of directors is less than the minimum number prescribed in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) the uncovered losses of the Company reach one-third of its total paid-in share capital;

(iii) a request from shareholders who separately or jointly hold 10% or more shares in the Company;

(iv) the board of directors considers it necessary;

(v) the audit committee proposes that such a meeting shall be held;

(vi) other circumstances stipulated by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Convening of Shareholders' Meetings

Independent directors have the right to propose to the board of directors to convene an extraordinary shareholders' meeting upon approval by a majority of all independent directors. Regarding the independent directors' proposal to convene an extraordinary shareholders' meeting, the board of directors shall provide written feedback on whether it agrees or disagrees with convening an extraordinary shareholders' meeting within ten days after receiving the proposal in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of Articles of Association.

If the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within five days after making the resolution of the board of directors; if the board of directors does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons and make an announcement.

If the audit committee proposes to the board of directors to convene an extraordinary shareholders' meeting, it shall do so in writing. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association, give written feedback on whether or not it agrees to convene such an extraordinary shareholders' meeting within 10 days after receiving the proposal.

Where the board of directors agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the audit committee.

Where the board of directors does not agree to convene an extraordinary shareholders' meeting or fails to give feedback within 10 days after receiving the proposal, the audit committee may convene and preside over such meeting on its own on the ground that the board of directors was unable or failed to perform its duty to convene a shareholders' meeting.

If shareholders who individually or collectively hold more than 10% of the shares of the Company request the board of directors to convene an extraordinary shareholders' meeting, it shall submit such request in writing to the board of directors. The board of directors shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of the Articles of Association, provide written feedback on whether or not it agrees to convene the extraordinary shareholders' meeting within 10 days after receiving the request.

Where the board of directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days after the resolution of the board of directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the board of directors does not agree to convene an extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares may propose to the audit committee to hold an extraordinary shareholders' meeting, and shall make such request in writing to the audit committee.

Where the audit committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice convening the shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

Where the audit committee fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the audit committee fails to convene and preside over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Where the audit committee or the shareholder(s) decide to convene a shareholders' meeting on its own, it shall notify the board of directors in writing and complete necessary reporting, announcement and filing in accordance with the securities regulatory rules of the place where the Company's shares are listed and the requirements of the stock exchange(s).

Before the announcement on the resolutions of the shareholders' meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%.

The board of directors and its secretary shall cooperate with the audit committee or the shareholder(s) convening the shareholders' meeting on their own. The board of directors will provide the register of shareholders as of the record date.

Any such expense necessary to convene the meeting, incurred by the audit committee or such shareholder(s), shall be borne by the Company.

Proposals and Notice of Shareholders' Meeting

The content of the proposals shall fall within the terms of reference of the shareholders' meeting, with specific topics and specific resolutions, and in compliance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association of the Company.

The Company shall convene a shareholders' meeting. The board of directors, the audit committee and shareholders individually or in aggregate holding 1% or more of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders individually or in aggregate holding 1% or more of the shares of the Company may put forward an interim proposal and submit it in writing to the convener 10 days before the shareholders' meeting. The convener shall, within 2 days after receiving the proposal, issue a supplementary notice of the shareholders' meeting to announce the content of the interim proposal, and submit the interim proposal to the shareholders' meeting for consideration, unless the interim proposal violates the laws, administrative regulations or the Articles of Association of the Company, or does not fall within the terms of reference of the shareholders' meeting. If the shareholders' meeting must be postponed due to the publication of a supplementary notice of the shareholders' meeting according to the provisions of the securities regulatory rules of the place where the Company's shares are listed, the meeting shall be adjourned in accordance with the provisions of the securities regulatory rules of the place where the Company's shares are listed.

Except for the circumstances prescribed in the preceding paragraph, after the convener has issued the notice of shareholders' meeting, the convener may not modify the proposals already listed in the notice of shareholders' meeting or add new proposals.

No vote shall be taken and no resolution shall be made at the shareholders' meeting on proposals that are not specified in the notice of the shareholders' meeting or proposals that do not comply with the provisions of the Articles of Association of the Company.

The convener shall notify all shareholders by way of announcement 21 days prior to the convening of the annual shareholders' meeting, and each shareholder shall be notified by way of announcement 15 days prior to the convening of the extraordinary shareholders' meeting.

Convening of Shareholders' Meetings

All ordinary shareholders whose names appear on the register of shareholders on the record date or their proxies are entitled to attend the shareholders' meetings and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association of the Company (unless any individual shareholder is obliged by the securities regulatory rules of the places where the Company's shares are listed to abstain from voting in any particular matter).

Shareholders may attend a shareholders' meeting in person, or may appoint other persons as his/her proxies to attend and vote on his/her behalf. If a shareholder is a recognized clearing house (or its proxy), the shareholder may authorise its representative of the Company or such person(s) as it thinks fit to act as its proxy at any shareholders' meeting.

If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid certificate or certificate that can identify him/herself; if he/she attends the meeting by proxy, he/she shall produce his/her valid identity card and the power of attorney.

Legal person shareholders shall attend the meeting by their legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she shall produce his/her identity card or a valid certificate proving his/her qualification as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall produce his/her identity card and the written power of attorney issued by the legal representative of the legal person shareholder unit according to law (unless the shareholder is a recognized clearing house (or its proxy)).

The power of attorney issued by a shareholder for appointing another person to attend the shareholders' meeting shall contain the following:

(i) the name of the appointer, class and quantity of shares of the Company held by him/her;

(ii) the name of the proxy;

(iii) specific instructions from shareholders, including instructions to vote in favor, against or abstain from voting for each matter included in the agenda of the shareholders' meeting;

(iv) the date of issuance and validity period of the power of attorney;

(v) signature (or seal) of the appointer. If the appointer is a legal person shareholder, it shall affix the seal of the legal person entity.

If the power of attorney for proxy voting is signed by another person authorized by the appointer, the power of attorney or other authorization document authorizing the signing shall be notarized. The notarized power of attorney or other authorization document and the power of attorney for proxy voting must be kept at the Company's domicile or other place specified in the notice convening the meeting, 24 hours before the meeting, or 24 hours before the appointed time for voting.

If the shareholder is a recognized clearing house (or its proxy), it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any meeting of shareholders or creditors. However, if more than one (1) proxies are appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and be signed by authorized persons of the recognized clearing house. Such authorized persons may exercise rights on behalf of the recognized clearing house (or its proxy) without the need for production certificates of its shareholding, notarized authorization and/or any further evidence demonstrating the duly granting of the same and be subject to statutory rights equivalent to those enjoyed by other shareholders, including the rights to speak and vote, as if they were individual shareholders of the Company.

Voting and Proposals at the Shareholders' Meeting

The resolutions of the shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the shareholders' meeting shall be adopted by more than half of the voting shares held by the shareholders present at the meeting.

Special resolutions made by the shareholders' meeting shall be adopted by more than two-thirds of voting shares held by the shareholders present at the meeting.

The following matters shall be approved by an ordinary resolution at the shareholders' meeting:

(i) the work report of the board of directors;

(ii) the profit distribution plan and the loss making plan proposed by the board of directors;

(iii) the appointment or dismissal of members of the board of directors, and their remunerations and the payment method;

(iv) matters other than those which are required by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association of the Company to be approved by special resolutions.

The following matters shall be approved by a special resolution at the shareholders' meeting:

(i) the increase or reduction of registered capital of the Company;

(ii) the merger, division, spin-off, dissolution and liquidation of the Company or change of corporate form of the Company;

(iii) amendments to the Articles of Association of the Company;

(iv) the amount of material assets purchased or sold or provided by the Company as guarantees to others within one year exceeds 30% of the Company's latest audited total assets;

(v) equity incentive schemes;

(vi) other matters which are required by laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed or the Articles of Association of the Company, and that will have a significant impact on the Company as determined by an ordinary resolution at the shareholders' meeting and need to be passed by a special resolution.

Shareholders shall exercise voting rights in respect of the number of voting shares they represent, and each share shall be entitled to one vote. If there are other provisions in the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail. To the extent permitted by applicable laws and regulations, on a poll, a shareholder (including proxies) holding two or more votes does not need to cast all votes in favor or against.

When material matters affecting the interests of minority investors are considered at the shareholders' meeting, the votes of minority investors shall be counted separately. The separate vote counting results shall be publicly disclosed in a timely manner.

The shares of the Company held by itself shall have no voting right, and shall not be included in the total number of shares with voting rights at the shareholders' meeting.

If any shareholder is required to abstain from voting on the relevant resolutions or be restricted from voting only for or against the specific resolutions pursuant to relevant laws and regulations and the securities regulatory rules of the place where the Company's shares are listed, any votes cast by such shareholder(s) or their representative(s), in violation of the foregoing requirement or restriction, shall not be taken into account in the result of such voting.

DIRECTORS AND BOARD OF DIRECTORS

Directors

A director of the Company is a natural person who is unable to act as a director of the Company under any of the following circumstances:

(i) persons without civil capacity or with limited capacity for civil acts;

(ii) persons who were sentenced to criminal punishment for the crime of corruption, bribery, misappropriation of property or diversion of property or for disrupting the order of the socialist market economy; or persons who were deprived of their political rights for committing a crime, where not more than five years have elapsed since the expiration of the period of deprivation; and not more than two years have elapsed since the date of the completion of the probation period if probation is announced;

(iii) persons who served as directors, or factory directors or general managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;

(iv) persons who served as the legal representatives of companies or enterprises that had their business licenses revoked and ordered for closure for breaking the law, where such representatives bear individual liability therefor and not more than three years have elapsed since the date of revocation of the business license and the closure ordered;

(v) persons who are listed as defaulters by the people's court due to comparatively large debts that have fallen due but have not been settled;

(vi) persons who are banned from the securities market by the CSRC, and the term is not expired;

(vii) persons who have been publicly identified by the stock exchange as not suitable to serve as directors, senior management members, etc. of a listed company, and the term is not expired;

(viii) other matters required by laws, administrative regulations, departmental regulations or the securities regulatory rules of the places where the Company's shares are listed.

Any election or appointment of directors in violation of the provisions of this article shall be null and void. If a director falls under the circumstances stipulated in this article during his/her term of office, the Company will remove him/her from his/her position and terminate his or her performance of duties.

Non-employee representative directors shall be elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting before the expiration of their terms of office. Employee-representative directors shall be democratically elected by the employees of the Company through the employees' representative meeting, employees' general meeting or other forms, and are not required to be submitted to the shareholders' meeting for consideration. Directors shall be appointed for a term of 3 years. Upon expiry of the term, a director may be re-appointed. If there are other provisions on the re-appointment of directors by the relevant securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

The term of office of directors shall be calculated from the date on which the resolutions for election are passed at the shareholders' meeting and will expire upon the expiration of the term of office of the current session of the board of directors. If a director fails to be re-elected in time after the term of office expires, the original director shall still perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association of the Company until the director re-elected takes office.

The directors may be concurrently held by the senior management of the Company, but the total number of directors serving as senior management of the Company and directors serving as employees' representatives shall not exceed 1/2 of the total number of directors of the Company.

Board of Directors

The Board consists of 9 directors, including 3 independent directors and 1 employee representative director. The directors of the Company may include executive directors, non-executive directors and independent directors. Non-executive directors refer to directors who do not hold any management position in the Company. There is one chairman of the board of directors.

The Board shall exercise the following functions and powers:

(i) to convene and report to the shareholders' meeting;

(ii) to implement the resolutions of the shareholders' meetings;

(iii) to determine the Company's operation plans and investment proposals;

(iv) to formulate profit distribution plans and loss recovery plans of the Company;

(v) to formulate plans of the Company regarding increase or decrease in registered capital, issuance of bonds or other securities and listing of the Company;

(vi) to formulate proposals for material acquisition, acquisition of shares of the Company or merger, division, dissolution and change of form of the Company;

(vii) to make decisions on external investments, acquisition and disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, related party transactions, external donations and other matters of the Company within the scope authorized by the shareholders' meeting;

(viii) to decide on the setup of the internal management structure of the Company;

(ix) to decide on the appointment or dismissal of the Company's general manager, the secretary to the board of directors and other senior management, and to decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's senior management such as the deputy general manager and chief financial officer based on the nomination of the general manager, and deciding on their remuneration, rewards and punishments;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for amendments to the Articles of Association;

(xii) to manage the Company's disclosures;

(xiii) to propose to the shareholders' meeting the appointment or change of the accounting firm to be audited by the Company;

(xiv) to listen to the work report of the general manager of the Company and inspect the work of the general manager;

(xv) to consider the guarantees other than those subject to the approval of the shareholders' meeting;

(xvi) other powers granted under laws, administrative regulations, departmental regulations, the securities regulatory rules of the places where the Company's shares are listed, the Articles of Association of the Company, or other functions and powers conferred by the shareholders' meeting.

Matters beyond the scope of the authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The chairman of the board of directors shall exercise the following powers:

(i) to preside over shareholders' meetings and to convene and preside over board meetings;

(ii) to urge and inspect the implementation of the resolutions of the board of directors;

(iii) to sign important board documents and other documents which shall be signed by the chairman of the board;

(iv) in the event of force majeure such as extraordinary natural disasters, to exercise the special right of disposing of the Company's affairs in line with legal requirements and the interests of the Company, and report to the board of directors and the shareholders' meeting of the Company afterwards;

(v) other authorities as delegated by the board of directors.

The board meeting shall be convened at least 4 times a year by the chairman of the board of directors and all directors shall be notified in writing 14 days before the meeting.

Board meetings should be held with the presence of more than half of the directors. Resolutions of the board of directors must be passed by more than half of all the directors. Voting on resolutions of the board of directors shall be conducted by one person, one vote.

Special Committees under the Board of Directors

The board of directors has established the audit committee, which exercises the powers of the supervisory committee as stipulated in the Company Law.

The audit committee consists of three members, who are not senior management of the Company, and two of them are independent directors. The convener shall be an accounting professional among the independent directors. Employee representatives who are members of the board of directors may become members of the audit committee.

The board of directors has established the strategy committee, the nomination committee and the remuneration and appraisal committee. The special committees shall be accountable to the board of directors and perform their duties in accordance with the Articles of Association of the Company and the authorization of the board of directors. The proposals of the special committees shall be submitted to the board of directors for consideration and decision. The board of directors shall be responsible for formulating the work procedures of the special committees.

The strategy committee, the nomination committee and the remuneration and appraisal committee shall be composed of directors, among which the nomination committee and the remuneration and appraisal committee shall comprise the majority of independent directors and be convened by them. The strategy committee shall comprise at least one independent director, and the chairman of the Company shall act as the convener of the strategy committee.

Senior Management

The Company shall have one general manager, who shall be appointed or dismissed at the decision of the Board. The Company shall appoint deputy general manager(s), who shall be appointed or dismissed at the decision of the Board.

Persons who hold other executive positions in the controlling shareholder of the Company except as directors and supervisors shall not serve as senior management of the Company.

The senior management of the Company receive their salaries only from the Company, and the controlling shareholders are not responsible for their remuneration.

The term of office of the general manager shall be three years, renewable upon reappointment.

The general manager shall be accountable to the Board and exercise the following powers:

(i) to preside over the production, operation and management of the Company, organize the implementation of resolutions of the Board, and report to the Board;

(ii) to organize the implementation of the Company's annual business plans and investment plans;

(iii) to formulate the proposal for the establishment of the internal management structure of the Company;

(iv) to draw up the basic management system of the Company;

(v) to make specific by-laws of the Company;

(vi) to propose to the Board on the appointment or dismissal of the deputy general manager and chief financial officer of the Company;

(vii) to decide on the appointment or dismissal of management personnel other than those who shall be appointed or removed by the Board;

(viii) other authorities delegated by the Articles of Association of the Company and the board of directors.

The general manager shall attend the board of directors as non-voting participants.

The general manager may tender his/her resignation before the expiration of his/her term of office. The specific procedures and measures for the resignation of the general manager shall be stipulated in the labor contract between the general manager and the Company.

The deputy general manager and the chief financial officer shall be nominated by the general manager and appointed or dismissed by the board of directors. The deputy general manager shall assist the general manager in charge of specific work according to the division of labor. The chief financial officer is in charge of the financial affairs of the Company and is accountable to the board of directors and works under the leadership of the general manager.

The Company has appointed a secretary to the board of directors, who is responsible for the preparation of shareholders' meeting and meetings of the board of directors, document custody, information management of shareholders of the Company, and information disclosure. The secretary to the board of directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of securities of the place where the shares of the Company are listed and the Articles of Association of the Company.

If the senior management violates the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association of the Company in the performance of their duties and causes losses to the Company, they shall be liable for compensation.

The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all shareholders. If the senior management of the Company causes damage to the interests of the Company and the public shareholders due to their failure to perform their duties faithfully or breach of their fiduciary duties, they shall be liable for compensation in accordance with the law.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Financial accounting system

The Company formulates its financial and accounting systems in accordance with laws, administrative regulations, relevant state departments, and the securities regulatory rules of the place where the shares of the Company are listed.

The Company shall file and disclose its annual report to the offices of the CSRC and the stock exchanges at the places where the shares are listed within 4 months from the end of each accounting year. The interim report shall be submitted and disclosed by the offices of the CSRC and the stock exchanges at the places where the shares are listed. If there are other rules by the securities regulatory authorities in the place where the Company's shares are listed, such rules shall prevail.

The Company shall not maintain any accounting books other than statutory accounting books. The funds of the Company are not stored in any account opened in the name of any individual.

When distributing the after-tax profit of the current year, 10% of the profit shall be appropriated into the statutory reserve of the Company. If the accumulated amount of the Company's statutory reserve is more than 50% of the Company's registered capital, no appropriation to the statutory reserve shall be required.

If the statutory reserve of the Company is insufficient to make up for the losses of the previous years, the profits of the current year shall be used to make up the losses before appropriating the statutory reserve in accordance with the preceding paragraph.

After appropriating the after-tax surplus to the statutory reserve, the Company may also appropriate to discretionary reserve from the after-tax surplus upon a resolution at the shareholders' meeting.

The after-tax profit of the Company after making up its losses and making appropriation to the reserve shall be distributed in accordance with the proportion of shares held by shareholders, unless it is stipulated in the Articles of Association of the Company that the profits shall not be distributed in proportion to their shareholdings.

Where a shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company; and if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares of the Company held by the Company do not participate in the distribution of profits. The Company shall appoint one or more receiving agents for holders of H shares in Hong Kong. The receiving agent shall receive and maintain the dividends allotted to the H Shares and other payables by the Company on behalf of the relevant H shareholders pending payment to such H shareholders. The receiving agent appointed by the Company shall comply with the laws and regulations and the requirements of the securities regulatory rules of the place where the shares of the Company are listed.

The reserves of the Company are used to make up for the losses of the Company, expand the production and operation of the Company or increase the registered capital of the Company. The reserves shall first be used to make up the losses of the Company by discretionary reserves and statutory reserves; if it is still unable to make up, the capital reserves may be used according to the requirements.

When the statutory reserve is converted into an increase in the registered capital, the retained reserve shall be not less than 25% of the registered capital of the Company before the increase.

The Company shall distribute dividends in the form of cash, shares or a combination of cash and shares. The Company shall adopt cash distribution as the prioritized mean to distribute profit provided that the conditions for cash distribution are satisfied.

Internal audit

The Company implements an internal audit system, which clearly defines the leadership system, responsibilities and authorities, staff allocation, funding support, application of audit results and accountability for internal audit.

The internal audit department shall maintain independence, and shall not be placed under the leadership of the finance department or co-located with the finance department. The internal audit department is accountable to the board of directors.

Appointment of accounting firm

The Company engages an accounting firm that complies with the requirements of the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed to conduct accounting statement audit, net assets verification and other related consulting services for a term of one year, which shall be renewable.

The appointment and dismissal of accounting firms by the Company shall be determined by the shareholders' meeting. The board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting.

The Company guarantees to provide the accounting firm with true and complete accounting documents, account books, financial and accounting reports and other accounting materials, and not to refuse, conceal or falsely report.

The audit fee of an accounting firm shall be determined by the shareholders' meeting.

The Company shall notify the accounting firm 30 days in advance in the event of dismissal or not to re-appoint the accounting firm, and the accounting firm shall be allowed to express its opinions when the shareholders' meeting of the Company votes on the dismissal of the accounting firm.

If the accounting firm resigns, it shall explain to the shareholders' meeting whether there is any impropriety.

Dissolution and liquidation

The Company was dissolved for the following reasons:

(i) the business period as stipulated in the Articles of Association of the Company expires or other grounds for dissolution as stipulated in the Articles of Association of the Company occur;

(ii) the shareholders' meeting resolves to dissolve;

(iii) it is necessary to be dissolved as a result of the merger or division of the Company;

(iv) its business license is revoked, ordered to be closed down or revoked in accordance with the law;

(v) when the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the people's court for dissolution of the Company.

If the Company has any grounds for dissolution specified in the preceding paragraph, it shall publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

If the Company falls under the conditions (i) and (ii) above and has not distributed any property to its shareholders, it may survive by amending the Articles of Association of the Company or by passing a resolution passed at the shareholders' meeting.

Amendments to the Articles of Association of the Company or a resolution to be passed at a shareholders' meeting pursuant to the foregoing paragraph shall be approved by not less than two-thirds of the voting shares held by the shareholders present at the shareholders' meeting.

If the Company is dissolved pursuant to the provisions of items (i), (ii), (iv) and (v) above, it shall be liquidated. The director shall be the liquidation obligor of the Company and shall set up a liquidation committee for liquidation within 15 days after the occurrence of the cause of dissolution. The liquidation committee shall be composed of directors, unless it is otherwise provided in the Articles of Association of the Company or others are elected by a resolution of the shareholders' meeting.

As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make public announcement on the media that complies with the requirements of the CSRC or National Enterprise Credit Information Publicity System, the website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims. The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by the shareholders' meeting or the people's court.

The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation.

The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding paragraph.

Amendments to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the Company Law or other relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;

(ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The board of directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our Company was established under the PRC laws under the name of Intsig Information Co., Ltd. (上海合合信息科技發展有限公司) on August 8, 2006. On June 18, 2020, our Company was renamed as Intsig Information Co., Ltd. (上海合合信息科技股份有限公司). As of the Latest Practicable Date, the total share capital of the Company was RMB140,000,000 comprising 140,000,000 A Shares of nominal value of RMB1.00 each.

Our principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on June 10, 2025. Mr. NG Tung Ching Raphael has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose address for service of process is 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendix IV and Appendix V to this document, respectively.

Changes in Share Capital of our Company

The following sets out the changes in the share capital of our Company within two years immediately preceding the date of this document:

(a) On September 26, 2024, our Company issued and allotted 25,000,000 A Shares and completed the listing of our A Shares on the STAR Market of Shanghai Stock Exchange (stock code: 688615). As a result, our total share capital was increased to RMB100,000,000 comprising 100,000,000 A Shares. See "History, Development and Corporate Structure"; and

(b) A dividend distribution plan was approved by the annual general meeting of the Shareholders on May 9, 2025, pursuant to which, among others, our Company issued and allotted 40,000,000 A Shares to all our Shareholders as of the record date in proportion to their respective shareholdings by capitalizing the capital reserve of our Company. As a result, our total share capital was increased to RMB140,000,000 comprising 140,000,000 A Shares.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

Resolutions of our Shareholders

At the extraordinary general meeting of the Shareholders held on June 18, 2025, the following resolutions, among other things, were duly passed:

(a) the [**REDACTED**] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] before the exercise of the [**REDACTED**] shall not exceed [**REDACTED**]% of the enlarged share capital of our Company upon completion of the [**REDACTED**], and the grant of the [**REDACTED**] in respect of no more than [**REDACTED**]% of the number of H Shares [**REDACTED**] pursuant to the [**REDACTED**];

(c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange; and

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**].

Changes in the Share Capital of our Subsidiaries

The following changes in the share capital of our subsidiaries took place within the two years immediately preceding the date of this document:

On May 26, 2025, the registered capital of Shanghai Linguan was increased from RMB1 million to RMB350 million.

On May 28, 2025, the registered capital of Shanghai Shengteng was increased from RMB50 million to RMB300 million.

On May 26, 2025, Shanghai Nexus Dimension Technology Co., Ltd. (上海融球次元科技有限公司) was established in the PRC with a registered capital of RMB1 million.

Save as disclosed above, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this document.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

(a) the [**REDACTED**].

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
1. . . .	CamCard	PRC	The Company	9	9270592	January 13, 2034
2. . . .	CamCard	PRC	The Company	42	9274605	January 13, 2034
3. . . .	CamScanner	PRC	The Company	9	9270661	December 6, 2035
4. . . .	CamScanner	PRC	The Company	42	9274655	April 6, 2032
5. . . .	合合信息	PRC	The Company	9	9270741	April 6, 2032
6. . . .	合合信息	PRC	The Company	38	9281596	June 13, 2032
7. . . .	合合信息	PRC	The Company	42	9274695	April 6, 2032
8. . . .	IntSig+	PRC	The Company	9	9270767	April 6, 2032
9. . . .	IntSig+	PRC	The Company	35	9270807	April 6, 2032
10. . . .	IntSig+	PRC	The Company	38	9274468	April 27, 2032
11. . . .	IntSig+	PRC	The Company	42	9274726	April 20, 2032
12. . . .	IntSig	PRC	The Company	9	9270789	April 6, 2032

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
13. . . .	IntSig	PRC	The Company	35	9270830	April 6, 2032
14. . . .	IntSig	PRC	The Company	38	9274963	April 6, 2032
15. . . .	IntSig	PRC	The Company	42	9274758	April 20, 2032
16. . . .	Textina	PRC	The Company	38	55477874	November 6, 2031
17. . . .	Textina	PRC	The Company	42	55465229	November 6, 2031
18. . . .	Textina	PRC	The Company	9	55454175	November 6, 2031
19. . . .	INTSIG Textin	PRC	The Company	42	55468973	November 6, 2031
20. . . .	INTSIG Textin	PRC	The Company	38	55468627	November 6, 2031
21. . . .	INTSIG Textin	PRC	The Company	9	55464803	November 6, 2031
22. . . .	INTSIG Textin	PRC	The Company	35	55454205	November 6, 2031
23. . . .	CS CAMSCANNER	PRC	The Company	42	64771576	November 6, 2032
24. . . .	CS CAMSCANNER	PRC	The Company	9	64780037	November 13, 2032
25. . . .	CS CamScanner	PRC	The Company	35	68933964	August 6, 2033
26. . . .	CS CamScanner	PRC	The Company	38	68931797	August 6, 2033
27. . . .	CC CAMCARD	PRC	The Company	35	68927196	September 20, 2033
28. . . .	CC CAMCARD	PRC	The Company	38	68927201	September 20, 2033
29. . . .	CC CAMCARD	PRC	The Company	42	68933828	September 20, 2033
30. . . .	INTSIG	PRC	The Company	9	71041010	October 20, 2033
31. . . .	INTSIG	PRC	The Company	16	71031029	October 20, 2033
32. . . .	INTSIG	PRC	The Company	35	71045618	October 27, 2033

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
33. . . .	INTSIG	PRC	The Company	38	71049801	November 6, 2033
34. . . .	INTSIG	PRC	The Company	41	71049809	November 6, 2033
35. . . .	INTSIG	PRC	The Company	42	71044403	October 20, 2033
36. . . .	合合信息	PRC	The Company	16	71032575	August 13, 2034
37. . . .	合合信息	PRC	The Company	35	71045581	December 13, 2034
38. . . .	INTSIG	PRC	The Company	16	73500441	February 6, 2034
39. . . .	INTSIG	PRC	The Company	38	73506287	February 6, 2034
40. . . .	INTSIG	PRC	The Company	42	73506315	February 6, 2034
41. . . .	INTSIG	PRC	The Company	9	73508315	February 6, 2034
42. . . .	INTSIG	PRC	The Company	35	73515658	February 6, 2034
43. . . .	INTSIG	PRC	The Company	41	73520287	February 6, 2034
44. . . .	CAMCARD	PRC	The Company	35	73753740	February 27, 2034
45. . . .	合合信息	PRC	The Company	16	73754436	May 6, 2034
46. . . .	CAMCARD	PRC	The Company	38	73757714	May 6, 2034
47. . . .	合合信息	PRC	The Company	16	75946144	July 13, 2034
48. . . .	CC CAMCARD	PRC	The Company	9	76891383	February 13, 2035

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
49. . . .	CC CAMCARD	PRC	The Company	35	76951784	December 20, 2034
50. . . .	CC CAMCARD	PRC	The Company	35	76964614	December 20, 2034
51. . . .	CC CAMCARD	PRC	The Company	35	76968261	December 20, 2034
52. . . .	合合信息	PRC	The Company	41	77814921	December 6, 2034
53. . . .	启信宝	PRC	The Company	35	17426285	April 13, 2027
54. . . .	启信宝	PRC	The Company	35	17426285A	October 13, 2026
55. . . .	启 信 宝	PRC	The Company	9	32022620	May 27, 2029
56. . . .	启 信 宝	PRC	The Company	38	32012690	June 20, 2029
57. . . .	启 信 宝	PRC	The Company	42	32021855	June 6, 2029
58. . . .	启信宝	PRC	Shanghai Shengteng	1	53460435	August 27, 2031
59. . . .	启信宝	PRC	Shanghai Shengteng	40	53514684	August 20, 2031
60. . . .	启信宝	PRC	Shanghai Shengteng	34	53518824	September 6, 2031
61. . . .	启信宝	PRC	Shanghai Shengteng	37	53525458	August 27, 2031
62. . . .	启信宝	PRC	Shanghai Shengteng	39	53536267	August 27, 2031
63. . . .	启信宝	PRC	Shanghai Shengteng	4	53498774	September 20, 2031
64. . . .	启信宝	PRC	Shanghai Shengteng	8	53490786	September 20, 2031
65. . . .	启信宝	PRC	Shanghai Shengteng	18	53490830	September 20, 2031
66. . . .	启信宝	PRC	Shanghai Shengteng	23	53490856	September 20, 2031
67. . . .	启信宝	PRC	Shanghai Shengteng	24	53483519	September 20, 2031

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
68. . . .	启信宝	PRC	Shanghai Shengteng	41	46673578	November 6, 2031
69. . . .	启信宝	PRC	Shanghai Shengteng	45	46673612	November 6, 2031
70. . . .	启信宝	PRC	Shanghai Shengteng	12	53482662	September 13, 2031
71. . . .	启信宝	PRC	Shanghai Shengteng	13	53482667	September 13, 2031
72. . . .	启信宝	PRC	Shanghai Shengteng	27	53490017	September 13, 2031
73. . . .	启信宝	PRC	Shanghai Shengteng	26	53496742	September 13, 2031
74. . . .	启信宝	PRC	Shanghai Shengteng	14	53498810	September 13, 2031
75. . . .	启信宝	PRC	Shanghai Shengteng	10	53505627	September 13, 2031
76. . . .	启信宝	PRC	Shanghai Shengteng	22	53505685	September 13, 2031
77. . . .	启信宝	PRC	Shanghai Shengteng	30	53530077	November 6, 2031
78. . . .	启信宝	PRC	Shanghai Shengteng	32	53530089	November 6, 2031
79. . . .	启信宝	PRC	Shanghai Shengteng	35	53540690	November 27, 2031
80. . . .	启信宝	PRC	Shanghai Shengteng	15	53508761	September 13, 2031
81. . . .	启信宝	PRC	Shanghai Shengteng	21	53485053	December 20, 2031
82. . . .	启信宝	PRC	Shanghai Shengteng	6	53489593	December 20, 2031
83. . . .	启信宝	PRC	Shanghai Shengteng	11	53489609	December 20, 2031
84. . . .	启信宝	PRC	Shanghai Shengteng	7	53490783	December 20, 2031
85. . . .	启信宝	PRC	Shanghai Shengteng	9	53495170	December 20, 2031
86. . . .	启信宝	PRC	Shanghai Shengteng	17	53496689	December 20, 2031
87. . . .	启信宝	PRC	Shanghai Shengteng	20	53496703	December 20, 2031
88. . . .	启信宝	PRC	Shanghai Shengteng	5	53501752	December 20, 2031

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
89. . . .	启信宝	PRC	Shanghai Shengteng	25	53503331	December 20, 2031
90. . . .	启信宝	PRC	Shanghai Shengteng	19	53505668	December 20, 2031
91. . . .	启信宝	PRC	Shanghai Shengteng	3	53510204	December 20, 2031
92. . . .	启信宝	PRC	Shanghai Shengteng	44	53521473	December 20, 2031
93. . . .	启信宝	PRC	Shanghai Shengteng	29	53525927	November 20, 2031
94. . . .	启信宝	PRC	Shanghai Shengteng	28	53533099	November 20, 2031
95. . . .	启信宝	PRC	Shanghai Shengteng	31	53538809	November 20, 2031
96. . . .	启信宝	PRC	Shanghai Shengteng	43	53541303	November 20, 2031
97. . . .	启信慧眼	PRC	Shanghai Shengteng	42	56254603	December 6, 2031
98. . . .	启信慧眼	PRC	Shanghai Shengteng	35	56254941	December 6, 2031
99. . . .	启信慧眼	PRC	Shanghai Shengteng	38	56265491	December 6, 2031
100. . .	启信慧眼	PRC	Shanghai Shengteng	9	56271422	December 6, 2031
101. . .	启信宝	PRC	Shanghai Shengteng	2	53471589	February 13, 2032
102. . .	启信宝	PRC	Shanghai Shengteng	42	53542171	August 6, 2032
103. . .	启信宝	PRC	Shanghai Shengteng	38	61356764	August 13, 2032
104. . .	启信宝	PRC	Shanghai Shengteng	41	61345537	August 13, 2032
105. . .	启信宝	PRC	Shanghai Shengteng	45	61356775	August 13, 2032

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
106. . .	启信宝	PRC	Shanghai Shengteng	41	64420832A	February 13, 2033
107. . .	启信宝	PRC	Shanghai Shengteng	45	64429586A	February 13, 2033
108. . .	启信宝	PRC	Shanghai Shengteng	38	64439821A	February 13, 2033
109. . .	启信宝	PRC	Shanghai Shengteng	41	67731318	June 20, 2033
110. . .	启信宝	PRC	Shanghai Shengteng	9	68005739	July 6, 2033
111. . .	启信宝	PRC	Shanghai Shengteng	42	68024664	July 6, 2033
112. . .	启信宝	PRC	Shanghai Shengteng	38	67734743	July 13, 2033
113. . .	启信宝	PRC	Shanghai Shengteng	45	67740457	July 13, 2033
114. . .	启信宝	PRC	Shanghai Shengteng	38	69865944	October 27, 2033
115. . .	启信宝	PRC	Shanghai Shengteng	41	69862772	October 27, 2033

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Expiration date
116. . .	启信宝	PRC	Shanghai Shengteng	45	69844131	October 27, 2033
117. . .	启信宝	PRC	Shanghai Shengteng	38	64439821	October 13, 2034
118. . .	启信宝	PRC	Shanghai Shengteng	45	72492928	March 20, 2034
119. . .	启信宝	PRC	Shanghai Shengteng	41	72512018	March 20, 2034
120. . .	启信宝	PRC	Shanghai Shengteng	45	75050473	August 6, 2034
121. . .	启信宝	PRC	Shanghai Shengteng	41	75050481	September 6, 2034
122. . .	启信宝	PRC	Shanghai Shengteng	45	79448931	February 20, 2035

As of the Latest Practicable Date, we had applied for the registration of the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Applicant	Class	Trademark number	Application date
1. . . .	(A) INTSIG (B) INTSIG (C) INTSIG (D) INTSIG	Hong Kong	The Company	9	306910470	May 26, 2025

No.	Trademark	Place of registration	Applicant	Class	Trademark number	Application date
2. . . .	(A) 合 合 信 息 (B) 合合信息	Hong Kong	The Company	9	306910489	May 26, 2025
3. . . .	(A) (B)	Hong Kong	The Company	9	306911479	May 27, 2025
4. . . .	(A) (B)	Hong Kong	The Company	9	306911488	May 27, 2025
5.	(A) (B)	Hong Kong	The Company	42	306933556	June 17, 2025
6. . . .	(A) (B)	Hong Kong	Shanghai Shengteng	9	306910498	May 26, 2025

Copyright

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright name	Copyright owner	Registration number	Date of registration
1	Intsig SCR Business Card Recognition Engine Software V1.0 (合合SCR名片識別引擎軟件V1.0)	The Company	2007SR00797	November 10, 2006
2	Intsig CamCard Android Version East Asian Business Card Recognition Software V2.6.3 (合合名片全能王Android版東亞名片識別軟件V2.6.3)	The Company	2012SR067976	March 1, 2010
3	Intsig ScanAll King Android Version Document Scanning Software V1.2.2 (合合掃描全能王Android版文檔掃描軟件V1.2.2)	The Company	2012SR069967	May 1, 2010
4	Intsig ScanAll King iOS Version Document Scanning Software V1.2.0.1 (合合掃描全能王ios版文檔掃描軟件V1.2.0.1)	The Company	2012SR070216	September 1, 2010

No.	Copyright name	Copyright owner	Registration number	Date of registration
5	Intsig ID Card All-in-One King WM Version ID Recognition Software V2.6.4 (合合證照全能王wm版證件識別軟件V2.6.4)	The Company	2012SR074774	February 1, 2011
6	Intsig Information ID Recognition Server Software 1.0 (合合信息證件識別服務器軟件1.0)	The Company	2014SR125356	Unpublished
7	CamCard Personal Edition Software V5.5 (名片全能王個人版CamCard軟件V5.5)	The Company	2015SR034343	September 25, 2014
8	CamCard Business Enterprise Edition Software V1.5.0 (名片全能王企業版CamCard Business軟件V1.5.0)	The Company	2015SR038752	September 26, 2014
9	ScanAll King Software V3.6.2 (掃描全能王軟件V3.6.2)	The Company	2015SR082624	March 16, 2015
10	Bank Card & Credit Card Intelligent Recognition System V1.0 (銀行卡信用卡智能識別系統V1.0)	The Company	2015SR082625	March 10, 2015

No.	Copyright name	Copyright owner	Registration number	Date of registration
11	Intsig Enterprise Information Data Interface Open Platform Program Software V2.0 (合合企業信息數據接口開放平台程序軟件V2.0)	The Company	2016SR240389	November 18, 2015
12	Facial Recognition and Identity Authentication Intelligent System V3.6 (人臉識別與身份認證智能系統V3.6)	The Company	2016SR317260	September 1, 2016
13	Intsig ID Card Recognition All-in-One King Software System V4.2 (合合證照識別全能王軟件系統V4.2)	The Company	2016SR317268	August 19, 2015
14	Financial Statement Recognition Intelligent System V1.0 (財務報表識別智能系統V1.0)	The Company	2017SR162908	December 7, 2016
15	Intsig VAT Invoice Recognition and Query Intelligent System V1.0 (合合增值税發票識別與查詢智能系統V1.0)	The Company	2017SR214543	December 20, 2016
16	Intsig License Plate Recognition and Authentication Intelligent System V2.0 (合合車牌識別與認證智能系統V2.0)	The Company	2017SR214766	October 18, 2016

No.	Copyright name	Copyright owner	Registration number	Date of registration
17	Intsig Express Waybill Recognition and Processing Intelligent System V1.0 (合合快遞單識別與處理智能系統V1.0)	The Company	2017SR214831	May 24, 2016
18	Intsig Universal Form Recognition Intelligent System V1.0 (合合通用表格識別智能系統V1.0)	The Company	2017SR225426	November 22, 2016
19	Intsig Early Rice Business Information Search Software V1.0 (合合早稻商業信息搜索軟件V1.0)	The Company	2017SR317579	January 18, 2017
20	Intsig Information Document Recognition Intelligent System V2.0 (合合信息文檔識別智能系統V2.0)	The Company	2017SR317584	May 8, 2014
21	Intsig Information Business Card Recognition Intelligent System V4.0 (合合信息名片識別智能系統V4.0)	The Company	2017SR317591	April 23, 2013
22	Intsig Information Image Processing Intelligent System V2.0 (合合信息圖像處理智能系統V2.0)	The Company	2017SR317600	April 18, 2013

No.	Copyright name	Copyright owner	Registration number	Date of registration
23	Intsig Information 1D & 2D Code Recognition Intelligent System V2.0 (合合信息一維碼二維碼識別智能系統V2.0)	The Company	2017SR317615	May 20, 2015
24	Intsig Qixinbao FISync Data Synchronization Software V1.0 (合合啟信寶FISync數據同步軟件V1.0)	The Company	2019SR1191785	Unpublished
25	Intsig Information Invoice Robot Software V1.0 (合合信息票據機器人軟件V1.0)	The Company	2020SR0368764	July 1, 2019
26	Intsig ID Card Recognition All-in-One King Software System V5.1 (合合證照識別全能王軟件系統V5.1)	The Company	2020SR1514211	July 1, 2020
27	Textin Software System V1.0 (Textin 軟件系統V1.0)	The Company	2020SR1612775	October 1, 2020
28	Textin Contract Comparison, Extraction, Review and Analysis Robot Software V1.0 (Textin 合同比對、抽取、審查、分析機器人軟件V1.0)	The Company	2021SR1495231	June 1, 2021

No.	Copyright name	Copyright owner	Registration number	Date of registration
29	CamCard Enterprise Digital Business Card Management System V3.12.2 (名片全能王企業數字名片管理系統V3.12.2)	The Company	2021SR2215269	June 1, 2021
30	Textin Studio Machine Learning Training Platform V2.0 (Textin Studio 機器學習訓練平台V2.0)	The Company	2022SR0029978	December 10, 2020
31	TextIn Universal Form Recognition and Seal Recognition System Software V1.0 (TextIn 通用表格識別和印章識別系統軟件V1.0)	The Company	2023SR0269398	March 4, 2022
32	TextIn Contract Extraction Robot Software V1.0 (TextIn 合同抽取機器人軟件V1.0)	The Company	2023SR0269409	March 4, 2022
33	Shengteng Business Information Search Software V1.0 (生騰商業信息搜索軟件V1.0)	Shanghai Shengteng	2018SR1014922	January 1, 2018
34	Shengteng VAT Invoice Recognition and Query Intelligent System V1.0 (生騰增值稅發票識別與查詢智能系統V1.0)	Shanghai Shengteng	2018SR1014923	January 1, 2018

No.	Copyright name	Copyright owner	Registration number	Date of registration
35	Shengteng CamCard Business Enterprise Edition Software V1.0 (生騰名片全能王企業版CamCard Business軟件V1.0)	Shanghai Shengteng	2018SR1014924	January 1, 2018
36	Shengteng Bank Card & Credit Card Intelligent Recognition System Software V1.0 (生騰銀行卡信用卡智能識別系統軟件V1.0)	Shanghai Shengteng	2018SR1015032	January 1, 2018
37	Shengteng ID Card Recognition All-in-One King Software System V1.0 (生騰證照識別全能王軟件系統V1.0)	Shanghai Shengteng	2018SR1015732	January 1, 2018
38	Qixinbao Enterprise Search and Information Query Software V1.0 (企信寶企業搜索與信息查詢軟件V1.0)	Shanghai Shengteng	2018SR721916	May 8, 2018
39	Qixinbao Business Information Search and Credit Investigation Software V1.0 (啟信寶商業信息搜索與信用調查軟件V1.0)	Shanghai Shengteng	2018SR837801	May 13, 2018

No.	Copyright name	Copyright owner	Registration number	Date of registration
40	Shengteng Qixinbao Enterprise Data Interface Open Platform Program Software V1.0 (生騰啟信寶企業數據接口開放平台程序軟件V1.0)	Shanghai Shengteng	2018SR860901	January 1, 2018
41	Shengteng Qixinbao FISync Data Synchronization Software V1.0 (生騰啟信寶FISync數據同步軟件V1.0)	Shanghai Shengteng	2019SR1051335	Unpublished
42	Shengteng Invoice Robot Software V1.0 (生騰票據機器人軟件V1.0)	Shanghai Shengteng	2020SR0637638	July 1, 2019
43	Shengteng Page Visualization Plugin V1.0 (生騰頁面可視化插件V1.0)	Shanghai Shengteng	2020SR0979031	Unpublished
44	Shengteng Qixinbao Enterprise Credit Risk Management Platform V1.0 (生騰啟信寶企業信用風險管理平台V1.0)	Shanghai Shengteng	2020SR0980005	Unpublished
45	Shengteng Enterprise In-depth Due Diligence Report System V1.0 (生騰企業深度盡調報告系統V1.0)	Shanghai Shengteng	2020SR0981397	Unpublished

No.	Copyright name	Copyright owner	Registration number	Date of registration
46	People's Qixin Business Information Search and Credit Investigation Software V1.0.0 (人民啟信商業信息搜索與信用調查軟件V1.0.0)	Shanghai Shengteng	2020SR1568513	October 15, 2020
47	Shengteng Textin Software System V1.0 (生騰Textin軟件系統V1.0)	Shanghai Shengteng	2020SR1774890	October 1, 2020
48	Shengteng Data Digital Merchant Qixin Huiyan SaaS Software V1.9 (生騰數據數字客商企信慧眼SaaS軟件V1.9)	Shanghai Shengteng	2021SR1305212	July 8, 2021
49	Shengteng Data Digital Finance Qixin Jindun SaaS Software V1.10 (生騰數據數字金融企信金盾SaaS軟件V1.10)	Shanghai Shengteng	2021SR1305344	July 15, 2021
50	Shengteng Data Digital Marketing Qixin Qingniao SaaS Software V1.3 (生騰數據數字營銷企信青鳥SaaS軟件V1.3)	Shanghai Shengteng	2021SR1305544	July 8, 2021

No.	Copyright name	Copyright owner	Registration number	Date of registration
51	Shengteng Textin Contract Comparison, Extraction, Review and Analysis Robot Software V2.1 (生騰 Textin 合同比對、抽取、審查、分析機器人軟件 V2.1)	Shanghai Shengteng	2022SR0105825	June 1, 2021
52	Industrial Investment Promotion Brain Software V1.0 (產業招商大腦軟件 V1.0)	Shanghai Shengteng	2022SR0173752	June 10, 2021
53	Shengteng Qixinbao FISync Data Synchronization Software V3.0 (生騰啟信寶FISync數據同步軟件 V3.0)	Shanghai Shengteng	2022SR0419181	October 25, 2021
54	Shengteng Textin Studio Machine Learning Training Platform V2.0 (生騰Textin Studio機器學習訓練平台 V2.0)	Shanghai Shengteng	2022SR0438807	December 10, 2020
55	Qixin Huiyan SaaS Cloud Platform V6.5.6 (啟信慧眼SaaS雲平台 V6.5.6)	Shanghai Shengteng	2022SR0816189	April 6, 2022

No.	Copyright name	Copyright owner	Registration number	Date of registration
56	Yangtze River Delta Regional Integration Industrial Internet Public Service Platform Maturity Evaluation System V1.0 (長三角區域一體化工業互聯網公共服務平台成熟度評價系統V1.0)	Shanghai Shengteng	2022SR0873624	June 30, 2021
57	Shengteng Qixinbao Data Update V2.0 (生騰啟信寶數據更新V2.0)	Shanghai Shengteng	2022SR1008497	October 16, 2019
58	Industrial Insight System V1.0 (產業洞察系統V1.0)	Shanghai Shengteng	2023SR0168888	June 30, 2022
59	Regional Industrial Brain System V1.0 (地區產業大腦系統 V1.0)	Shanghai Shengteng	2023SR0168889	August 10, 2022
60	Shengteng Qixin Tianyuan Big Data Application Platform V2.0 (生騰啟信天元大數據應用平台V2.0)	Shanghai Shengteng	2023SR1184356	March 31, 2023
61	Linguan ScanAll King Document Scanning Software V1.0 (臨冠掃描全能王文檔掃描軟件V1.0)	Shanghai Linguan	2018SR859462	October 1, 2018
62	Yingwuxu Invoice Robot Software V1.0 (盈五蓄票據機器人軟件V1.0)	Shanghai Yingwuxu	2020SR0944064	July 1, 2019

No.	Copyright name	Copyright owner	Registration number	Date of registration
63	Yingwuxu ID Card Recognition All-in-One King Software System V5.1 (盈五蓄證照識別全能王軟件系統V5.1)	Shanghai Yingwuxu	2020SR1550227	July 1, 2020
64	Yingwuxu Textin System Software V1.0 (盈五蓄Textin系統軟件V1.0)	Shanghai Yingwuxu	2020SR1867764	October 1, 2020

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent name	Patentee	Place of registration	Patent number	Application date
1	A method for implementing business card scanning using a mobile phone with a digital camera (一種用帶數碼相機的手機實現名片掃描的方法)	The Company	PRC	2006101186183	November 22, 2006
2	A method for automatically generating and adding icons in an address book through business card recognition technology (一種通過名片識別技術在地址簿中自動生成並添加圖標的方法)	The Company	PRC	2008100424893	September 4, 2008

No.	Patent name	Patentee	Place of registration	Patent number	Application date
3	Image rotation correction method and system, electronic device (圖像旋轉校正方法及系統、電子設備)	The Company	PRC	2009100549709	July 16, 2009
4	Character input method and system, electronic device and its keyboard (字符輸入方法及系統、電子設備及其鍵盤)	The Company	PRC	2009100551501	July 21, 2009
5	Handwriting input system and method, electronic device (手寫輸入系統及方法、電子設備)	The Company	PRC	200910055524X	July 28, 2009
6	Camera automatic focusing method and system (相機自動聚焦方法及系統)	The Company	PRC	2009100567622	August 20, 2009
7	Multi-touch character input method and system (多觸點字符輸入方法及系統)	The Company	PRC	2009101952523	September 7, 2009
8	A method for adjusting the detection result of an image quadrilateral frame (調整圖像四邊形框檢測結果的方法)	The Company	PRC	201010129600X	March 19, 2010

No.	Patent name	Patentee	Place of registration	Patent number	Application date
9	Recognition method and system based on image matching and network query (基於圖像匹配和網絡查詢的識別方法及系統)	The Company	PRC	2010102256067	July 13, 2010
10 . . .	Method and system for automatically correcting recognition results through network queries (通過網絡查詢自動校正識別結果的方法及系統)	The Company	PRC	2010102256090	July 13, 2010
11 . . .	A method for automatically extracting instant messaging accounts and performing corresponding operations (自動提取即時通訊帳號並做出相應操作的方法)	The Company	PRC	2010105481885	November 17, 2010
12 . . .	Method and system for improving the clarity of text images (提高文本圖像清晰度的方法及系統)	The Company	PRC	2010105589480	November 25, 2010
13 . . .	A splicing method and system for text images (一種文本圖像的拼接方法及系統)	The Company	PRC	2010105589669	November 25, 2010

No.	Patent name	Patentee	Place of registration	Patent number	Application date
14 . . .	A method for shooting multiple text images and splicing them (拍攝多幅文本圖像並拼接的方法)	The Company	PRC	2010105588685	November 25, 2010
15 . . .	A shooting method for text image stitching (用於文本圖像拼接的拍攝方法)	The Company	PRC	2010105588882	November 25, 2010
16 . . .	A handwriting input method for continuous writing of multiple characters (多字符連續書寫的手寫輸入方法)	The Company	PRC	2010105835822	December 10, 2010
17 . . .	A trimming method for text images (一種文本圖像的切邊方法)	The Company	PRC	2010105839734	December 10, 2010
18 . . .	A handwriting input method for overlapping writing (一種重疊書寫的手寫輸入方法)	The Company	PRC	2010105836011	December 10, 2010
19 . . .	A method for determining whether a business card to be added exists in a contact list (判斷聯繫人列表中是否存在欲添加名片的方法)	The Company	PRC	2011101872780	July 5, 2011
20 . . .	Image detection method (圖像檢測方法)	The Company	PRC	2011102263741	August 9, 2011
21 . . .	A cutting method for card scanned images (卡片掃描圖像的切分方法)	The Company	PRC	2012104619242	November 16, 2012

No.	Patent name	Patentee	Place of registration	Patent number	Application date
22 . . .	A professional notebook convenient for electronization and an automatic classification method for its electronic documents (方便電子化的專業筆記本及其電子化文檔的自動分類方法)	The Company	PRC	201210516663X	December 5, 2012
23 . . .	A method for automatically cutting handwritten entries in an electronic notebook (一種自動切分電子化筆記本中手寫條目的方法)	The Company	PRC	2012105171676	December 5, 2012
24 . . .	A quadrilateral frame recognition method and device for intelligent wireless communication terminals (用於智能無線通信終端的四邊形邊框識別方法及裝置)	The Company	PRC	201310330784X	August 1, 2013
25 . . .	A method and device for line adsorption in images, and a method and device for constructing polygons (在圖像中線段吸附的方法及裝置,構造多邊形的方法及裝置)	The Company	PRC	2013103382465	August 6, 2013

No.	Patent name	Patentee	Place of registration	Patent number	Application date
26 . . .	A method and device for straight line/line segment adsorption, and a method and device for constructing polygons (直線/線段吸附的方法及裝置,構造多邊形的方法及裝置)	The Company	PRC	2013103579971	August 16, 2013
27 . . .	A method and device for recognizing quadrilateral borders for intelligent wireless communication terminals (用於智能無線通信終端的識別四邊形邊框的方法及裝置)	The Company, Shanghai Linguan	PRC	2013104620719	September 30, 2013
28 . . .	An image orientation correction method and system (一種圖像方向校正方法及系統)	The Company	PRC	2013107466135	December 30, 2013
29 . . .	A method and system for acquiring enterprise group relationships (一種企業集團關係獲取方法及系統)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2019103424643	April 26, 2019
30 . . .	A method and system for determining suspected connected relationships of enterprises (一種企業疑似關聯關係判定方法及系統)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	201910878698X	September 18, 2019

No.	Patent name	Patentee	Place of registration	Patent number	Application date
31 . . .	A document curved surface correction method and device (一種文檔曲面校正方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2020101724538	March 12, 2020
32 . . .	A book edge detection method and device (一種書籍邊緣檢測方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2020101734296	March 12, 2020
33 . . .	A method and device for image recognition and information extraction of standardized documents (一種標準化文檔的圖像識別和信息提取方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2020101724576	March 12, 2020
34 . . .	A video key frame extraction method and system based on optical flow method (一種基於光流法的視頻關鍵幀提取方法及系統)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2020105265080	June 9, 2020
35 . . .	A data field bloodline analysis method and device based on ANTLR (基於 ANTLR 的數據字段血緣分析方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	202110532500X	May 17, 2021

No.	Patent name	Patentee	Place of registration	Patent number	Application date
36 . . .	A person name disambiguation method and system based on enterprise association relationships (一種基於企業關聯關係的人名消歧方法及系統)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2021106163303	June 2, 2021
37 . . .	A contract navigation method and device (一種合同導航方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	202111134365X	September 27, 2021
38 . . .	A corporate beneficiary calculation system and method (一種企業受益人運算系統及方法)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2019108787624	September 18, 2019
39 . . .	A corporate concerted action person calculation system and method (一種企業一致行動人運算系統及方法)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2019108787357	September 18, 2019
40 . . .	A deep mining method and device for corporate suspected actual controllers (一種企業疑似實際控制人的深度挖掘方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2021114449745	November 30, 2021

No.	Patent name	Patentee	Place of registration	Patent number	Application date
41 . . .	A curved text flattening recognition method and device based on seal contours (一種基於圖章輪廓的彎曲文字拉平識別方法和裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2021116796181	December 31, 2021
42 . . .	A method and device for quantifying contract performance and short-term default prediction (一種合同履約表現量化及短期違約預測的方法及裝置)	The Company, Shanghai Linguan, Shanghai Shengteng, Shanghai Yingwuxu	PRC	2021105326430	May 17, 2021
43 . . .	Multi-contact character input method and system (多觸點字符輸入方法及系統)	The Company	USA	8743058B2	August 20, 2010
44 . . .	A character input method and system as well as electronic device and keyboard thereof (一種字符輸入方法和系統、電子設備和鍵盤)	The Company	USA	10248878	June 3, 2010
45 . . .	Character input method and system, electronic device and keyboard thereof (字符輸入方法和系統、電子設備及其鍵盤)	The Company	Europe	2306270	June 3, 2010

No.	Patent name	Patentee	Place of registration	Patent number	Application date
46 . . .	Character input method and system, electronic device and the keyboard thereof (字符輸入方法及系統、電子設備及其鍵盤)	The Company	Hong Kong	HK1138921	June 8, 2010
47 . . .	Multi-contact character input method and system (다중 접점 문자 입력 방법 및 시스템)	The Company	Korea	10-1366723	August 20, 2010
48 . . .	Character input method and system, electronic device and the keyboard thereof (문자 입력 방법 및 시스템, 전자 장치 및 이의 키패드)	The Company	Korea	10-1264897	June 3, 2010
49 . . .	Multi-character continuous handwriting input method (多字連續手寫輸入法)	The Company	USA	9323456	August 3, 2011
50 . . .	Multi-character continuous handwriting input method (多字符連續手寫輸入法)	The Company	Europe	2650766	August 3, 2011
51 . . .	Overlapped handwriting input method (重疊手寫輸入法)	The Company	USA	9052755	August 3, 2011
52 . . .	Multi-character continuous handwriting input method (複數キャラクターを連続筆記する手書き入力方法)	The Company	Japan	5854442	August 3, 2011

No.	Patent name	Patentee	Place of registration	Patent number	Application date
53 . . .	Overlapped handwriting input method (重畳筆記による手書き入力方法)	The Company	Japan	5784141	August 3, 2011
54 . . .	Multi-character continuous handwriting input method (多字符連續書寫的手寫輸入方法)	The Company	Hong Kong	HK1184571	October 23, 2013
55 . . .	Multi-character continuous handwriting input method (다문자 연속 쓰기의 핸드라이팅 입력방법)	The Company	Korea	10-1802876	August 3, 2011
56 . . .	Overlapped handwriting input method (중첩 쓰기 핸드라이팅 입력방법)	The Company	Korea	10-1825154	August 3, 2011
57 . . .	Business card information exchange method combining character recognition and image matching (結合字符識別和圖像匹配的名片信息交換方法)	The Company	USA	9298708	August 4, 2011
58 . . .	Method for adding business card information into contact list (將名片信息加入通訊錄的方法)	The Company	USA	9147109	August 5, 2011

No.	Patent name	Patentee	Place of registration	Patent number	Application date
59 . . .	A method for determining whether a business card to be added exists in a contact list (追加を希望する名刺が連絡先リストに存在しているか否かを判断する方法)	The Company	Japan	5863962	August 5, 2011
60 . . .	Business card information exchange method combining character recognition and image matching (文字認識と画像照合を組み合わせて名刺情報を交換する方法)	The Company	Japan	5757366	August 4, 2011
61 . . .	Business card information exchange method combining character recognition and image matching (문자 식별과 이미지 매칭을 결합시켜 명함 정보를 교환하는 방법)	The Company	Korea	10-1805731	August 4, 2011
62 . . .	Text image trimming method (文字圖像修剪方法)	The Company	USA	9082192	August 2, 2011
63 . . .	Text image trimming method (文本圖像修剪方法)	The Company	Europe	2650821	August 2, 2011

No.	Patent name	Patentee	Place of registration	Patent number	Application date
64 . . .	A method and device for straight line/line segment adsorption, and a method and device for constructing polygons (直線/線分の吸着方法及び装置、多角形の構築方法及び装置)	The Company	Japan	6193498	August 7, 2014
65 . . .	Method and apparatus for adsorbing straight line/line segment, method and apparatus for constructing polygon (吸附直線/線段的方法和裝置、構造多邊形的方法和裝置)	The Company	USA	10332236	August 7, 2014
66 . . .	Method and device for adsorbing straight line/line segment, and method and device for constructing polygon (一種吸附直線/線段的方法和裝置,以及構造多邊形的方法和裝置)	The Company	Europe	3035289	August 7, 2014
67 . . .	Text image trimming method (テキスト画像のトリミング方法)	The Company	Japan	5896245	August 2, 2011
68 . . .	Text image trimming method (텍스트 이미지의 트리밍 방법)	The Company	Korea	10-1784919	August 2, 2011

No.	Patent name	Patentee	Place of registration	Patent number	Application date
69 . . .	A method and device for straight line/line segment adsorption, and a method and device for constructing polygons (직선/선분의 흡착방법 및 장치, 다변형의 구축방법 및 장치)	The Company	Korea	10-1825200	August 7, 2014
70 . . .	A trimming method for text images (一種文本圖像的切邊方法)	The Company	Hong Kong	HK1184580	October 23, 2013

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Service Contracts

We [have entered] into a contract with each of our Directors in respect of, among other things (i) compliance of relevant laws and regulations, (ii) observance of the Articles of Association, and (iii) provisions on dispute resolution.

Save as disclosed above, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Directors' Remuneration

The Directors receive remuneration in the forms of directors' fees, salaries, allowances and benefits in kind and retirement scheme contributions.

The aggregate amount of directors' fees, salaries, allowances and benefits in kind and retirement scheme contributions of our Directors for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025 were RMB13.2 million, RMB14.0 million, RMB13.9 million and RMB2.2 million, respectively.

Disclosure of interests

Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the interests and/or short positions of our Directors and chief executive in our Shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interest in Shares

				Approximate percentage of shareholding following the completion of the [REDACTED] (%)(2)	
Name	**Position**	**Nature of Interests(1)**	**Number and Description of Shares**	**In A Shares**	**In the total issued share capital of our Company**
ZHEN Lixin (鎮立新) . . .	Executive Director, chairman of the Board and general manager	Beneficial owner	33,862,920 A Shares	24.19	[REDACTED]
		Interest of controlled corporation(3)	8,066,836 A shares	5.76	[REDACTED]
		Beneficial interest(4)	259,895 A shares	0.19	[REDACTED]
CHEN Qingshan (陳青山) . . .	Executive Director	Beneficial owner	6,574,995 A Shares	4.70	[REDACTED]
		Beneficial interest(4)	50,777 A shares	0.04	[REDACTED]
LONG Teng (龍騰)	Executive Director and employee representative Director	Beneficial owner	3,694,110 A Shares	2.64	[REDACTED]
		Beneficial interest(4)	25,394 A shares	0.02	[REDACTED]
LIU Chen (劉忱)	Executive Director	Beneficial interest(4)	67,997 A shares	0.05	[REDACTED]
LIU Yaqin (劉雅琴)	Executive Director	Beneficial interest(4)	38,073 A shares	0.03	[REDACTED]

Notes:

(1) All interests are long positions.

(2) The calculation is based on the assumption that the [**REDACTED**] is not exercised, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**].

(3) As of the Latest Practicable Date, Dr. Zhen was interested in 90% of Shanghai Shihou, which was the general partner of Shanghai Muyiran, Shanghai Dingluo, Shanghai Rongliran and Shanghai Duanlin. Therefore, pursuant to the SFO, each of Dr. Zhen and Shanghai Shihou is deemed to be interested in the entire Shares held by each of Shanghai Muyiran, Shanghai Dingluo, Shanghai Rongliran and Shanghai Duanlin.

(4) Each of Dr. Zhen, CHEN Qingshan, LONG Teng, LIU Chen and LIU Yaqin is interested in the underlying A Shares relating to their respective entitlements pursuant to the Employee Shareholding Plan. For illustrative purpose, the number of A Shares in which they are interested is calculated by multiplying their respective subscription percentages by the total number of A Shares held by the Employee Shareholding Plan.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [**REDACTED**], has any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Substantial Shareholders

For information on the persons who will, immediately following the completion of the [**REDACTED**], having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, see the section headed "Substantial Shareholders" in this document.

So far as the Directors are aware, the persons (other than our Directors, the chief executive of our Company, and any member of our Group) will, immediately following the completion of the [**REDACTED**], be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the members of our Group (other than our Company):

Our subsidiaries	Name of substantial shareholder	Approximate percentage of interest (%)
Shanghai Xinpai Information Technology Co., Ltd (上海信湃信息科技有限公司)	Shanganxin (Shanghai) Enterprise Development Co., Ltd (商安信(上海)企業發展股份有限公司)	35
	Shanghai Yaoxin Enterprise Management Partnership Enterprise (Limited Partnership) (上海垚信企業管理合夥企業(有限合夥))	12

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (including any additional H Shares [**REDACTED**] pursuant to the [**REDACTED**]), have an interest or short position in Shares or underlying Shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Group.

Disclaimers

(a) Save as disclosed in the section headed "History, Development and Corporate Structure," none of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the [**REDACTED**], none of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [**REDACTED**] or related transactions as mentioned.

(d) Save as disclosed in the section headed "Business," none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Group.

Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

Sole Sponsor

The Sole Sponsor has made an application on our behalf to the [**REDACTED**] for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] (including any H Shares which may fall to be [**REDACTED**] pursuant to the exercise of the [**REDACTED**]).

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a sponsor fee of US$1,000,000 to act as the sponsor of our Company in connection with the proposed [**REDACTED**] on the Hong Kong Stock Exchange.

Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
KPMG	Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Allbright Law Offices	Legal adviser to our Company as to PRC laws
King & Wood Mallesons	Legal adviser to our Company as to PRC data compliance laws
China Insights Industry Consultancy Limited	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

BINDING EFFECT

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

BILINGUAL DOCUMENT

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

PROMOTERS

The promoters of our Company are Dr. Zhen, LUO Xiping, Oriental Fortune Capital (Wuhu) Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)股權投資基金(有限合夥)), Changzhou Dingshi Investment Partnership (Limited Partnership) (常州鼎仕投資合夥企業(有限合夥)), CHEN Qingshan, Matrix Partners (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯(杭州)創業投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Qian Equity Investment Partnership (Limited Partnership) (寧波梅山保税港區啟安股權投資合夥企業(有限合夥)), Shanghai Huixin Investment Center (Limited Partnership) (上海卉新投資中心(有限合夥)), Shanghai Muyiran, LONG Teng, Oriental Fortune Capital

(Wuhu) No. 2 Equity Investment Fund (Limited Partnership) (東方富海(蕪湖)二號股權投資基金(有限合夥)), Shenzhen Shengshi Huijin Investment Center (Limited Partnership) (盛勢匯金(深圳)投資中心(有限合夥)), QI Shi, Shanghai Qicheng Yiqi Enterprise Management Partnership (Limited Partnership) (上海奇誠伊期企業管理合夥企業(有限合夥)), Shanghai Duanlin, Jiaxing Lingchuang Equity Investment Fund Partnership (Limited Partnership) (嘉興領創股權投資基金合夥企業(有限合夥)), Shanghai Rongliran, JIN Lianwen, Shanghai Dingluo, Shenzhen Zhongshi Lanhai Cultural Industry Investment Enterprise (Limited Partnership) (中視藍海文產(深圳)投資企業(有限合夥)), Hangzhou Yuhang Investment Management Partnership (Limited Partnership) (杭州御航投資管理合夥企業(有限合夥)), Shenzhen Shenghui Xincheng Investment Center (Limited Partnership) (盛匯鑫成(深圳)投資中心(有限合夥)), HUANG Miao and XU Xin.

Save as disclosed in the section headed "History, Development and Corporate Structure" in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

PRELIMINARY EXPENSES

The Company did not incur material preliminary expenses for the purpose of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material change in our financial or trading position since March 31, 2025.

MISCELLANEOUS

(a) Save as disclosed in "Changes in Share Capital" above, within the two years immediately preceding the date of this document:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(c) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(d) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(e) Save as disclosed in the paragraph headed "Further Information about our Business — Summary of Material Contracts" in this section, none of our Directors or experts (as named in this document), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group. Save as disclosed in this document, no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought.

(f) Our Company has no outstanding convertible debt securities or debentures.

(g) There is no arrangement under which future dividends are waived or agreed to be waived.

(h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "*Appendix VI — Statutory and General Information — Other Information — Qualifications and Consents of Experts*"; and

(b) a copy of each of the material contracts referred to in "*Appendix VI — Statutory and General Information — Further Information about our Business — Summary of Material Contracts*".

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **https://www.intsig.com/** during a period of 14 days from the date of this document:

1. the Articles of Association;

2. the Accountants' Report prepared by KPMG, the text of which is set forth in Appendix I to this Document;

3. the audited consolidated financial statements of our Company for the financial years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025;

4. the report from KPMG on the unaudited [**REDACTED**] financial information of our Group, the text of which is set forth in Appendix II to this Document;

5. the material contracts in "*Appendix VI — Statutory and General Information — Further Information about our Business — Summary of Material Contracts*";

6. the written consents referred to in "*Appendix VI — Statutory and General Information — Other Information — Qualifications and Consents of Experts*";

7. the service contracts referred to in "*Appendix VI — Statutory and General Information — Further Information about our Directors and Senior Management — Particulars of the Service Contracts*";

8. the legal opinions issued by Allbright Law Offices, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;

9. the legal opinions issued by King & Wood Mallesons, our PRC Legal Advisors relating to data compliance, in respect of PRC data compliance law;

10. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed "*Industry Overview*" in this Document; and

11. a copy of the PRC Company Law, the Securities Law and the Trial Measures, together with their unofficial English translations.