OVERVIEW

Our history can be traced back to 2000, when our founder, Mr. Tong, began our digital publishing business. Over the past 25 years, we have built a vast digital content library, which included over 5.6 million pieces of digital content as of the Latest Practicable Date.

Building on our abundant digital content library, along with our capabilities in applying AI technologies and our experience in IP development across multiple formats, we have grown into a leading AI-driven digital entertainment platform. Today, we offer diverse content formats, including online literature, audiobooks, comics, AI motion comics, animations and micro dramas with AI technology, as well as IP derivatives to consumers worldwide. Since 2022, we have expanded into the overseas micro drama market for international audiences, marking an important step in our development.

On April 2, 2011, our Company was converted into a joint stock limited company from a limited liability company. Subsequently, on January 21, 2015, our A-Shares were listed on the ChiNext Board of the Shenzhen Stock Exchange (stock code: 300364) (the "**A Share Listing**").

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key corporate and business development milestones:

Year	Event
2000	Beijing ChineseAll Culture Development Co., Ltd. (北京中文在線文化發展有限公司), our predecessor, was established in the PRC and was among the first in China to launch a "digital library for primary and secondary schools" (中小學數字圖書館) in 2003.
2006	We established "**17K.com**" (一起看小説網) for original online literature, offering a platform for Chinese novel writing and reading.
2012	We were recognized as a "National Copyright Demonstration Unit (全國版權示範單位)" by the National Copyright Administration of the PRC (中華人民共和國國家版權局).
2015	Our A Shares were listed on the ChiNext Board of Shenzhen Stock Exchange (stock code: 300364).
2016	We raised approximately RMB2 billion through a private placement to support our development, funding projects like an IP-based digital content ecosystem and an online education platform.
2017	Our Company implemented a global expansion strategy, including launching an interactive visual reading app.

Year	Event
2018	We were honored with the "Fourth China Publishing Government Award for Outstanding Publishing Unit (第四屆中國出版政府獎先進出版單位)".
2021	We were one of the earliest enterprises in China to develop and broadcast micro dramas.
2023	Our Company released version 1.0 of "Xiaoyao" AI, a pioneering content production platform.
	We acquired Hanmu Chunhua, enhancing our strategic position in animation and IP derivation and operation.
2025	Our overseas micro drama app, ***FlareFlow***, was launched and gained recognition internationally.
	We launched the English version of "Xiaoyao" AI to meet the demands of global users.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operations during the Track Record Period:

No.	Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
1.	ChineseAll Culture Media	PRC	July 31, 2009	100%	Cultural activities
2.	Tianjin ChineseAll	PRC	July 6, 2016	100%	Cultural and technical services
3.	Handan ChineseAll	PRC	October 20, 2017	100%(1)	Cultural activities
4.	Hongda Yitai	PRC	May 2, 1996	100%(1)	Cultural and technical services; audio services
5.	Liaoning Yexiang	PRC	June 7, 2022	100%(2)	Information and technology services; new media
6.	Tianjin Xiangwu	PRC	June 8, 2022	100%(2)	Information and technology services; new media
7.	Guangxi Yexiang	PRC	October 17, 2022	100%(2)	Information and technology services; new media

No.	Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
8.	Anhui Yexiang	PRC	October 18, 2022	100%(2)	Information and technology services; new media
9.	Tianjin Guangzhiying	PRC	September 25, 2018	100%(1)	Film and television operations
10.	Changchun Guangzhiying	PRC	December 28, 2021	100%(3)	Film and television operations
11.	Hangzhou ChineseAll	PRC	April 29, 2009	100%	Cultural and technical services
12.	Hangzhou 4yt	PRC	July 5, 2016	100%	Information and technology services
13.	Guangzhou 4yt	PRC	July 26, 2005	100%	Information and technology services
14.	Maibu Information	PRC	November 23, 2006	100%	Information and technology services
15.	ChineseAll Education Technology	PRC	December 5, 2003	100%	Cultural and technical services
16.	Hubei ChineseAll	PRC	June 15, 2021	100%(4)	Cultural and technical services; property and leasing
17.	Hainan ChineseAll Universe	PRC	April 1, 2022	100%	Cultural and technical services
18.	Hengqin ChineseAll	PRC	December 23, 2024	100%	Cultural and technical services
19.	ChineseAll International Film and Television	PRC	June 27, 2025	100%(5)	Cultural and technical services; micro drama production base
20.	COL Hong Kong	Hong Kong	May 30, 2014	100%	Overseas operations; investment
21.	Anti-Piracy Union	Hong Kong	November 12, 2019	100%(6)	Overseas operations; cultural operations
22.	COL MEDIA	U.S.	December 15, 2021	100%(6)	Cultural, film and television operations
23.	COL WEB	Singapore	September 6, 2022	100%(6)	Cultural, film and television
24.	Creative Omni Life	Cayman Islands	February 26, 2025	100%(7)	Investment

No.	Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal business activities
25.	FLAREFLOW	Singapore	March 7, 2025	100%(8)	Cultural, film and television
26.	Hengqin Yankun	PRC	April 10, 2025	100%(9)	Cultural, film and television
27.	Hanmu Chunhua	PRC	March 14, 2012	51.04%(10)	Culture, film and television; animation production

Notes:

(1) A wholly owned subsidiary of Tianjin ChineseAll;

(2) A wholly owned subsidiary of Hongda Yitai;

(3) A wholly owned subsidiary of Tianjin Guangzhiying;

(4) A wholly owned subsidiary of ChineseAll Education Technology;

(5) A wholly owned subsidiary of Hengqin ChineseAll;

(6) A wholly owned subsidiary of COL Hong Kong;

(7) A wholly owned subsidiary of our Company, with 51.0% of shares owned by Hengqin ChineseAll and 49.0% owned by COL Hong Kong;

(8) A wholly owned subsidiary of Creative Omni Life;

(9) A wholly owned subsidiary of FLAREFLOW; and

(10) A non-wholly owned subsidiary of our Company, which was acquired by our Company in June 2023. For details, see "Significant Acquisitions and Disposals — Acquisition of Hanmu Chunhua" and Note 29 to the Accountants' Report in Appendix I to this document.

MAJOR SHARE CAPITAL CHANGES AND DEVELOPMENT OF OUR COMPANY

Early Development and Conversion into Joint Stock Company with Limited Liability

Our history can be traced back to December 19, 2000, when our founder, Mr. Tong, began the digital publishing business by establishing our predecessor, Beijing ChineseAll Culture Development Co., Ltd. (北京中文在線文化發展有限公司), as a limited liability company under the laws of the PRC with an initial registered capital of RMB300,000.

Conversion into Joint Stock Company with Limited Liability

On April 2, 2011, our Company was converted into a joint stock limited company from a limited liability company. The net assets as of December 31, 2010 were converted into 90,000,000 Shares, resulting in a total share capital of RMB90,000,000, with the shareholders at the time as promoters. Upon completion, Mr. Tong remained the largest shareholder of our Company. The shareholding structure of our Company immediately following our conversion into a joint stock company was as follows:

Shareholders	Capital contribution	Shareholding percentage
	(RMB)	*%*
Mr. Tong	22,426,110	24.92
Beijing Qidi Huachuang Investment Consulting Co., Ltd. (北京啟迪華創投資諮詢有限公司)	16,811,081	18.68
Shanghai Wenrui Investment Co., Ltd. (上海文睿投資有限公司) (currently known as Jianshui Wenrui Enterprise Management Co., Ltd. (建水文睿企業管理有限公司))	8,449,643	9.39
Wang Qiuhu (王秋虎)	5,031,630	5.59
Zhejiang Huarui Haiyue Modern Service Industry Investment Co., Ltd. (浙江華睿海越現代服務業創業投資有限公司)	4,654,742	5.17
Hu Songting (胡松挺)	4,277,994	4.75
Shanghai Kaiwu Investment Partnership (L.P.) (上海開物投資合夥企業(有限合夥))	3,970,588	4.41
Chen Yaojie (陳耀傑)	3,962,102	4.40
Ningbo Bofa Investment Partnership (L.P.) (寧波博發投資合夥企業(有限合夥))	2,501,924	2.78
Beijing Detong Changtong Investment Center (L.P.) (北京德同長通投資中心(有限合夥))	2,095,870	2.33
Beijing Shiji Honghui Investment Center (L.P.) (北京世紀泓慧投資中心(有限合夥))	2,051,472	2.28
Beijing Xunanda Technology Co., Ltd. (北京訊安達科技有限公司)	1,939,478	2.15
Beijing Zhangzhonda Information Technology Co., Ltd. (北京掌中達信息科技有限責任公司) (currently known as Beijing Chuangzao Li Information Technology Co., Ltd. (北京創造栗信息科技有限責任公司))	1,588,236	1.76
Beijing Dongfang Hongshi Investment Center (L.P.) (北京東方泓石投資中心(有限合夥))	1,267,016	1.41
Suzhou Huahui Venture Capital Center (L.P.) (蘇州華慧創業投資中心(有限合夥))	992,647	1.10
Li Dapeng (李大鵬)	969,738	1.08
Xu Tianqing (徐田慶)	969,738	1.08
Xue Jun (薛軍)	926,474	1.03
Beijing Qidi Startup Incubator Co., Ltd. (北京啟迪創業孵化器有限公司)	825,385	0.92
Zhejiang Donghan High-Tech Investment Yangtze River Delta Investment Partnership (L.P.) (浙江東翰高投長三角投資合夥企業(有限合夥))	661,767	0.74
Cai Dongqing (蔡東青)	529,412	0.59

Shareholders	Capital contribution	Shareholding percentage
	(RMB)	%
Beijing Gaoan Investment Co., Ltd. (北京高安投資有限公司) (currently known as Xinyu Angao Investment Co., Ltd. (新余安高投資有限公司))	529,412	0.59
Yao Baozhen (姚寶珍)	426,686	0.47
Mai Gang (麥剛)	412,386	0.46
Zhang Ziming (張自明)	387,894	0.43
Shanghai Rongyin Investment Co., Ltd. (上海容銀投資有限公司)	387,894	0.43
Guan Yu (關宇)	290,922	0.32
Shanghai Hongfan Venture Investment Co., Ltd. (上海弘帆創業投資有限公司)	264,706	0.29
Jinxin Xiangtai Venture Investment (Beijing) Co., Ltd. (金信祥泰創業投資(北京)有限公司) (currently known as Dazi District Taisheng Technology Co., Ltd. (達孜區泰晟科技有限公司))	132,351	0.15
Zhang Xiangdong (張向東)	132,351	0.15
Gu Hao (顧浩)	132,351	0.15
Total	**90,000,000**	**100.00**

Listing on the ChiNext Board of the Shenzhen Stock Exchange

On January 21, 2015, our A Shares were listed on ChiNext Board of the Shenzhen Stock Exchange (stock code: 300364). In connection with the A Share Listing, we offered a total of 30,000,000 A Shares, representing approximately 25.00% of our enlarged share capital immediately following the completion. Following the A Share Listing, our registered share capital increased to RMB120,000,000 comprising 120,000,000 Shares with a nominal value of RMB1.00 each and Mr. Tong directly and indirectly controlled approximately 25.73% of the share capital of our Company.

Capital Reserve Capitalization in 2016

In June 2016, the Company issued 9.856505 A Shares for every ten existing A Shares by capitalizing the capital reserve for dividend distribution. Upon completion, the registered share capital amounted to RMB241,746,991, comprising 241,746,991 A Shares.

Non-Public Issuance of A Shares in 2016

In August 2016, our Company completed the non-public issuance of 42,735,042 A Shares to five subscribers, all of whom were Independent Third Parties. Upon completion, the registered share capital of our Company increased to RMB284,482,033, comprising 284,482,033 A Shares.

Capital Reserve Capitalization in 2017

In August 2017, the Company issued 15.011986 A Shares for every ten existing A Shares by capitalizing the capital reserve for dividend distribution. Upon completion, the registered share capital amounted to RMB711,654,081, comprising 711,654,081 A Shares.

Issuance of A Shares for Acquisition of Shanghai Chenzhike in 2018

In March 2018, we issued 64,020,004 A Shares as part of the consideration for acquiring an 80% equity interest in Shanghai Chenzhike Information Technology Co., Ltd. (上海晨之科信息技術有限公司) ("**Shanghai Chenzhike**"). As a result, our total share capital increased from 711,654,081 A Shares to 775,674,085 A Shares.

Repurchase and Cancellation of A Shares Due to Performance Compensation in 2019 and 2023

In November 2019, our Company completed the repurchase and cancellation of 44,702,940 A Shares as part of a performance compensation arrangement. According to the agreement with the then controlling shareholder of Shanghai Chenzhike (the "**Obligor**"), the Obligor had committed that the net profits of Shanghai Chenzhike for 2017, 2018 and 2019 (after deducting non-recurring gains and losses attributable to the parent company) would not fall below RMB150 million, RMB220 million and RMB264 million, respectively, totaling not less than RMB634 million. As Shanghai Chenzhike failed to meet its 2018 performance target, the Obligor was required to compensate our Company with 44,702,940 A Shares, valued at approximately RMB714.4 million. These A Shares were repurchased by our Company at a total price of RMB1 and subsequently canceled, reducing the total share capital from 771,998,250 A Shares to 727,295,310 A Shares.

In December 2022 and January 2023, our Company further repurchased and canceled 5,806,891 A Shares due to Shanghai Chenzhike's failure to meet its 2019 performance commitment. Per the agreements with the Obligor, all 5,806,891 A Shares held by the Obligor were repurchased by our Company at a total price of RMB1.00. The cancellation was completed on January 11, 2023, reducing the total share capital from 735,746,509 A Shares to 729,939,618 A Shares.

Other Shareholding Changes

As of 2022, our share capital had increased to RMB735,746,509, divided into 735,746,509 A Shares. This increase resulted from various rounds of capitalization issues, as well as the issuance, repurchase and cancellation of A Shares for employee incentive purposes during previous years.

Repurchase and Cancellation of Shares in 2025

On February 26, 2025, our Company announced the completion of the repurchase and cancellation of 1,439,500 A Shares, reducing our registered capital. The cancellation was finalized on February 25, 2025, decreasing the total share capital from 729,939,618 A Shares to 728,500,118 A Shares.

DECONSOLIDATION OF CRAZY MAPLE STUDIO

Crazy Maple Studio ("**CMS**") was incorporated in California as a limited liability company in July 2016, which then mainly operated overseas interactive reading platforms, including Chapters. It is now primarily engaged in micro drama business, including operation of Reelshort. As of the Latest Practicable Date, our Group owned approximately 47.81% of the total voting rights and 49.24% shareholding in CMS.

In April 2023, to encourage the independent operation and development of CMS and to facilitate its market-oriented financing, the shareholders' meeting of CMS resolved to reorganize its corporate governance structure, including adjustments to its board composition and voting rights. As part of the reorganization, (i) the number of directors on CMS's board of directors was increased from three to seven, among whom our Group had the right to nominate three directors; and (ii) our total voting rights in CMS was adjusted from 50.90% to 47.81%.

Following these adjustments, our Group no longer maintained control over CMS, which ceased to be consolidated into our Group's financial statements as of May 1, 2023. CMS has since been one of our associates. Our Company uses the equity method to measure the remaining equity interest of CMS. A remeasurement gain of RMB55.1 million was recognized upon the loss of control. For details, see Note 16 to the Accountants' Report in Appendix I to this document.

Following the deconsolidation, CMS has operated independently from our Group, both financially and operationally. CMS has gained full autonomy to pursue its own financing activities in alignment with its business goals, without reliance on our Group. Operationally, CMS is independently managed, with decision-making authority resting solely with its own board and management team.

SIGNIFICANT ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we have carried out the following significant acquisition.

Acquisition of Hanmu Chunhua

Our Company separately entered into equity transfer agreements with, Shengxiao Culture and Entertainment (Beijing) Co., Ltd. (聖曉文化娛樂(北京)有限公司) ("**Shengxiao Culture**") and Beijing Dream Castle Culture Co., Ltd. (北京夢之城文化有限公司) ("**Dream Castle**", together with Shengxiao Culture, the "**Sellers**") on June 28 and August 15, 2023, respectively. Pursuant to the agreements, our Company acquired approximately 51.04% equity interest in Hanmu Chunhua from the Sellers for a total consideration of RMB137,811,771.

Established on March 14, 2012 in the PRC as a limited liability company, Hanmu Chunhua is engaged in IP operation and development, with a focus on the "Hei" (羅小黑) IP. Hanmu Chunhua has expertise in IP creation, development and commercialization. Prior to the acquisition, the shareholders of Hanmu Chunhua, all of whom were Independent Third Parties, included Dream Castle, Zhang Ping (章平), Shengxiao Culture and Tianjin Lingzhi Kongjian Film and Television Culture Partnership (L.P.) (天津靈質空間影視文化合夥企業(有限合夥)) ("**Tianjin Lingzhi**"). Their respective shareholdings were approximately 38.18%, 36.68%, 12.86% and 12.28%.

The acquisition of Hanmu Chunhua aligns with our Company's "IP-centric" strategy. At the time of acquisition, Hanmu Chunhua had successfully developed the "Hei" IP across comics, animation, films and merchandise, achieving over 1 billion views and RMB300 million in box office revenue. Since the acquisition, Hanmu Chunhua has continued to build on its success. In 2025, "Hei" IP was awarded the Half-Moon Award (半月獎) for the Most Commercially Valuable Animation IP of the Year and the sequel film The Legend of Hei 2 (《羅小黑戰記2》) was released in China, achieving a cumulative box office of approximately RMB534 million by October 17, 2025. This acquisition allows our Company to leverage Hanmu Chunhua's expertise to enhance IP commercialization, expand global outreach and strengthen market competitiveness.

The consideration for the acquisition of Hanmu Chunhua was determined through arm's length negotiations, factoring in Hanmu Chunhua's expertise, the current value and future development potential of its IP.

The acquisition of Hanmu Chunhua was properly and legally completed on August 15, 2023, with all required approvals obtained. Following the completion, Hanmu Chunhua's equity interests were held as to 51.04% by our Company, 36.68% by Zhang Ping and 12.28% by Tianjin Lingzhi.

The acquisition of Hanmu Chunhua would not have been classified as a major transaction under Chapter 14 of the Listing Rules as of the date of our Company's application for [**REDACTED**] and does not fall within the scope of Rule 4.05A of the Listing Rules.

Save as disclosed in "Significant Acquisitions and Disposals" in this section, we did not conduct any other acquisitions, disposals or mergers considered material to us during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEE INCENTIVE PLANS

As of the Latest Practicable Date, our Company has adopted the Employee Incentive Plans. No share options and restricted shares under the Employee Incentive Plans will be further granted after the [**REDACTED**] and all granted share options and restricted shares have been granted to specified individuals under the Employee Incentive Plans. For details of the Employee Incentive Plans, see "Statutory and General Information — (D) Employee Incentive Plans" in Appendix V to this document.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, the Single Largest Group of Shareholders was able to exercise approximately [**REDACTED**]% voting rights in our Company. For details, see "Relationship with our Single Largest Group of Shareholders".

OUR A SHARE LISTING AND REASONS FOR THE [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Since January 2015, our A Shares have been listed on the ChiNext Board of the Shenzhen Stock Exchange. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, 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 Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Exchange.

Our Company seeks to be [**REDACTED**] on the Hong Kong Stock Exchange to (i) solidify our content ecosystem, (ii) develop and improve our AI technologies empowering content creation and distribution, and (iii) build an overseas micro drama ecosystem. See "Business — Our Strategies" and "Future Plans and Use of [**REDACTED**]" for more details.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other [**REDACTED**] at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public, at the time of [**REDACTED**], must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the ChiNext Board of the Shenzhen Stock Exchange. The total number of the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] represents approximately [**REDACTED**]% of the total issued share capital of our Company (assuming that the [**REDACTED**] is not exercised). To the best knowledge of our Company, since all H Shares will be counted towards the [**REDACTED**] for the purpose of Rule 8.08(1) of the Listing Rules upon completion of the [**REDACTED**], our Company will satisfy the [**REDACTED**] requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

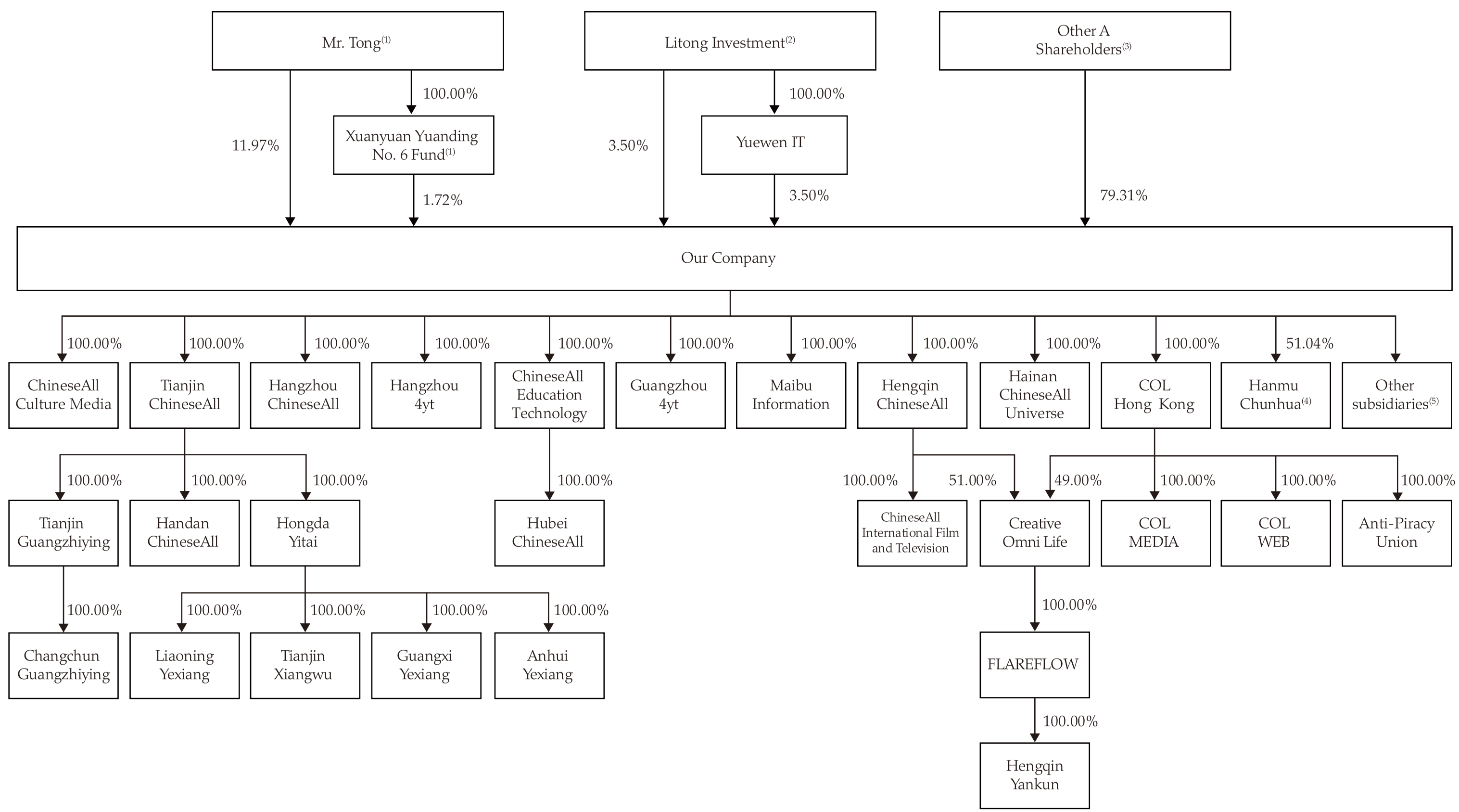
Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other [**REDACTED**] at the time of [**REDACTED**], this will normally mean that the portion of H shares for which [**REDACTED**] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [**REDACTED**], must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of [**REDACTED**] (excluding treasury shares), with an expected market value at the time of [**REDACTED**] of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000. To the best knowledge of our Company, we will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Prior to the [REDACTED]

The following chart depicts our simplified shareholding and corporate structure immediately prior to the **[REDACTED]**:



Notes:

(1) Our Single Largest Group of Shareholders. In addition, Mr. Tong, as the sole beneficial owner, controls the Xuanyuan Yuanding No. 6 Fund.

(2) Litong Investment is wholly-owned by Shenzhen Tencent Ruijian Investment Co., Ltd. (深圳市騰訊睿見投資有限公司) ("**Tencent Ruijian**"), which is a subsidiary of Tencent Holdings Limited ("**Tencent**"), a company listed on the Stock Exchange.

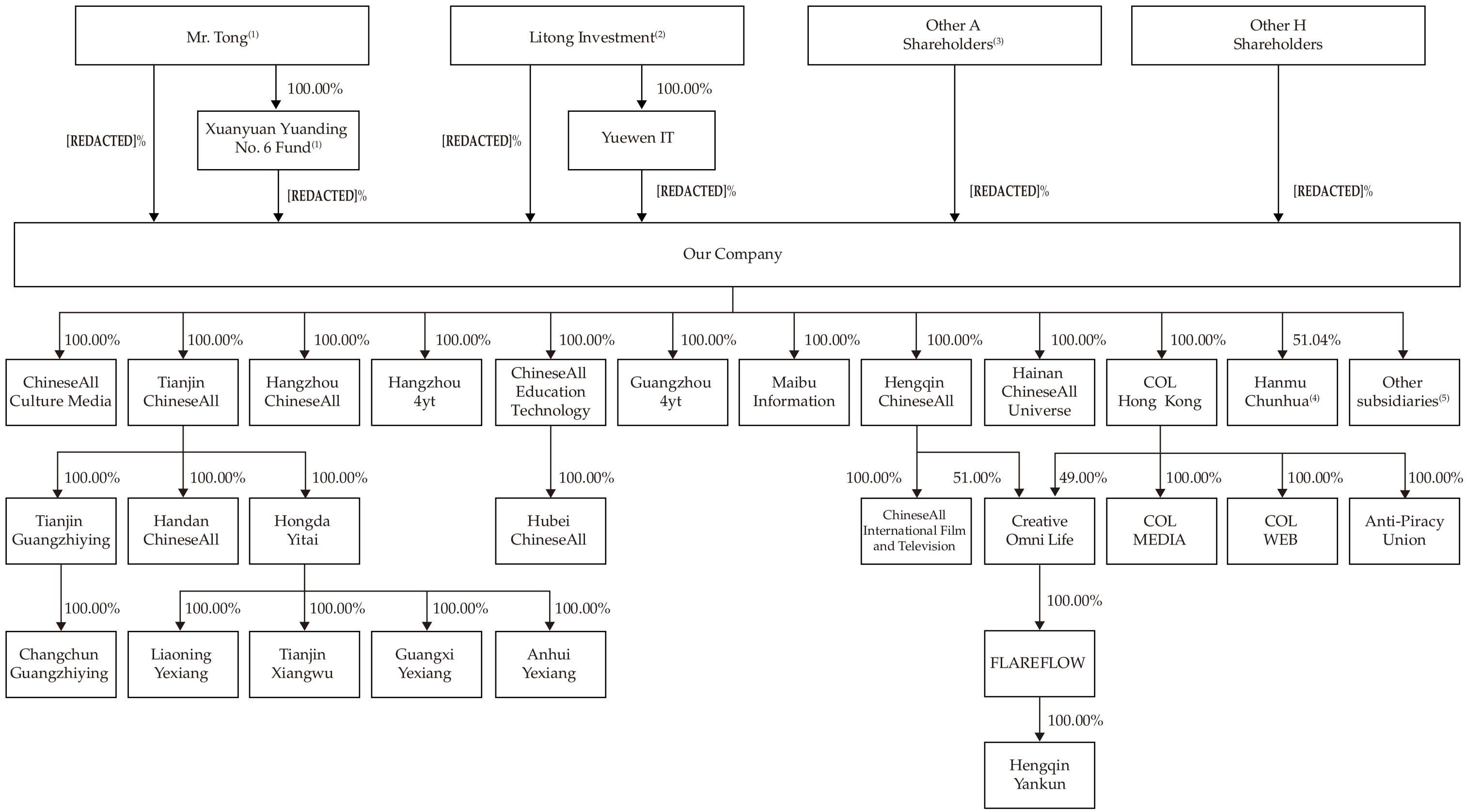
(3) As of the Latest Practicable Date, to the best of our Directors' knowledge having made reasonable enquiries, these A Share Shareholders were not core connected persons of our Company.

(4) As of the Latest Practicable Date, the remaining 48.96% interest in Hanmu Chunhua is held by Zhang Ping and Tianjin Lingzhi, both of whom are Independent Third Parties, holding 36.68% and 12.28%, respectively.

(5) Other subsidiaries include (i) onshore and offshore and (ii) wholly-owned and non-wholly owned subsidiaries of our Company.

Shareholding and Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart depicts our simplified shareholding and corporate structure immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised):



Note: See notes (1) to (5) in "— Shareholding and Corporate Structure Immediately Prior to the [**REDACTED**]"