Application Proof of

Visual China Group Co., Ltd.
視覺(中國)文化發展股份有限公司

(the "**Company**")

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

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Visual China Group Co., Ltd.
視覺(中國)文化發展股份有限公司

(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 application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[•]**

Sole Sponsor, [REDACTED]

华泰国际
HUATAI INTERNATIONAL

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The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document (being HK$[REDACTED] per [REDACTED] to HK$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] will be published on the website of our Company at **www.vcg.com** and on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. For further details, see "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this document.

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CONTENTS

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CONTENTS

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. 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 "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a leading provider of content licensing and customization services in China. Our services enable customers to efficiently access, create, manage and deploy licensed content across a wide range of application scenarios. Our development strategy is built around content assets, AI capabilities and application scenarios. We ranked first in China and fifth globally in the visual content licensing services market in terms of revenue in 2025, according to Frost & Sullivan. The following chart sets forth the key highlights of our business:

Notes:

(1) approximately 2.3 times the aggregate share of the other four top-five players in China in terms of revenue in 2025, according to Frost & Sullivan

(2) as of December 31, 2025

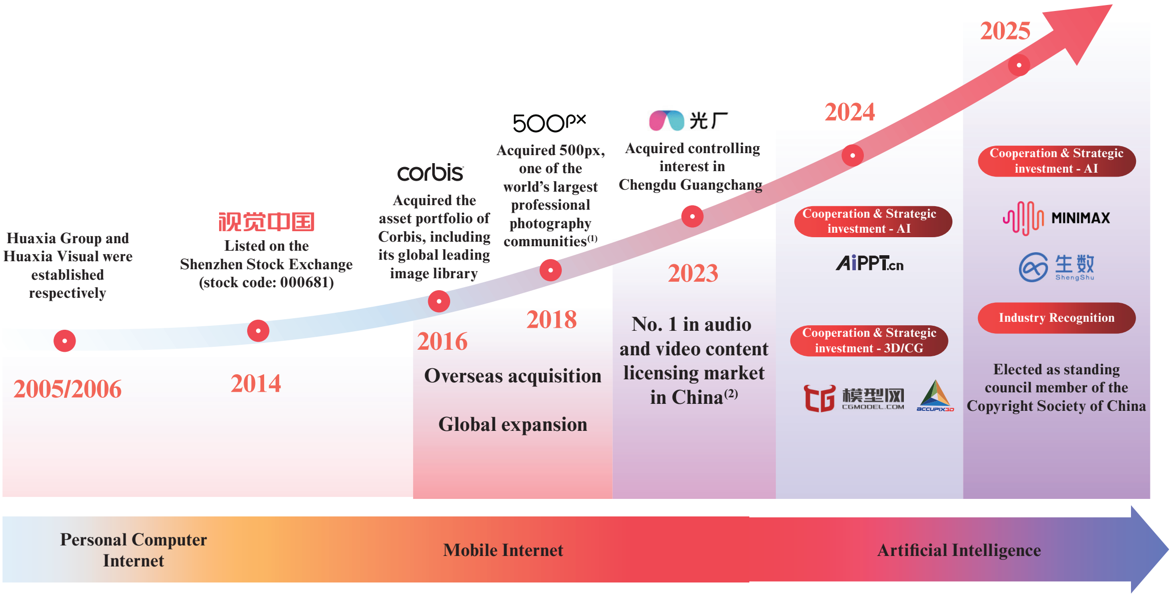
(3) represents the approximate average annual number of downloads during the Track Record Period; in particular, the number of downloads was approximately 81.2 million, 85.3 million and 103.0 million in 2023, 2024 and 2025, respectively

(4) represents the aggregated royalties paid to the content providers from 2014 to 2025

(5) represents the aggregated paying customers from 2014 to 2025

(6) represents the average annual number of content customization projects delivered during the Track Record Period; in particular, the number of content customization projects delivered in 2023, 2024 and 2025 was 529, 517 and 625, respectively

The following chart illustrates key milestones in our corporate development:



Notes:

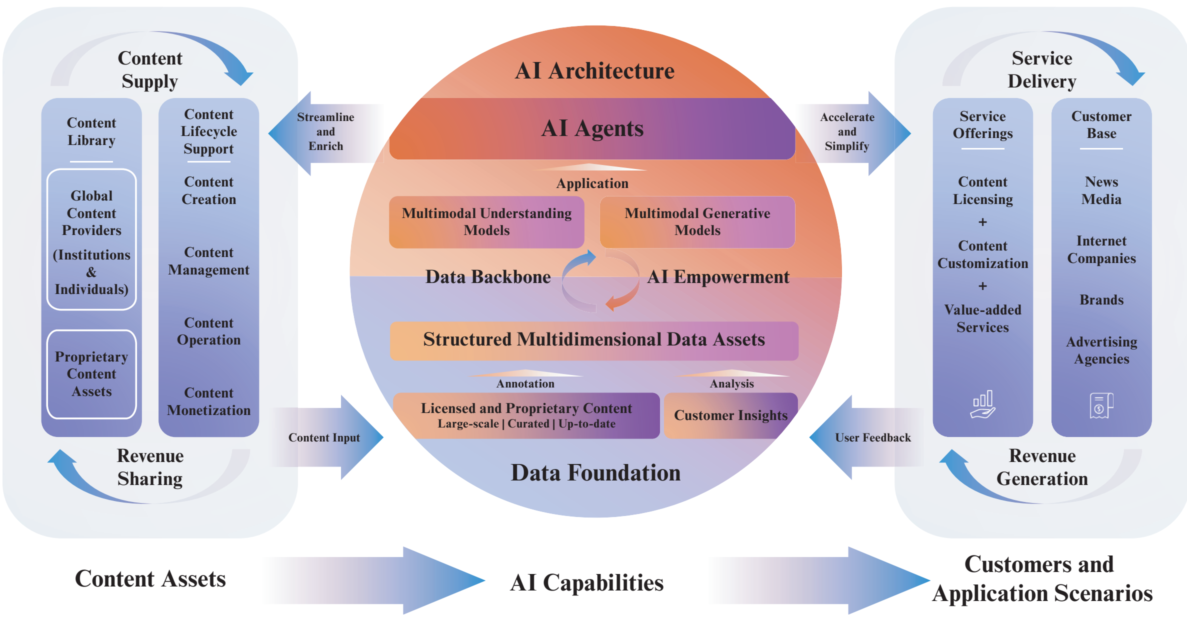
(1) According to Frost & Sullivan, 500px is one of the world's largest professional photography communities in terms of revenue from 2018 to 2025.

(2) According to Frost & Sullivan, Chengdu Guangchang ranked first in China's audio and video content licensing market in terms of revenue, in 2023, 2024 and 2025.

Our Ecosystem

Over more than two decades of operation, we have accumulated extensive content assets, developed AI capabilities and expanded into a broad range of application scenarios. Together, these elements form a self-reinforcing ecosystem that supports content creation, management, commercialization and continuous innovation.

The following diagram illustrates the structure of our ecosystem:



Content Assets. As of December 31, 2025, we had accumulated over 700 million content assets across various formats, including images, videos, audio files and 3D/CG models. Our content assets are generally sourced from (i) global content providers, comprising a global sourcing network of contracted institutional copyright partners and individual content providers; and (ii) proprietary content, primarily including the global leading image library of Corbis. We support content providers throughout the content lifecycle, from content creation and management to operation and monetization. This large-scale, curated and up-to-date content library provides the foundation for our AI development and supports commercialization across diverse application scenarios.

AI Capabilities. We have developed an AI capability framework that transforms content assets into structured data and AI-enabled services. This framework consists of (i) data foundation, which is built upon large-scale licensed and proprietary content and customer insights, and through a combination of AI-assisted and expert annotation, transformed into structured multidimensional data; and (ii) AI architecture, which integrates multimodal understanding model and multimodal generative model to support content recognition, tagging and search matching, and is deployed through AI agents to support both content supply and customer-facing applications.

Customers and Application Scenarios. We provide (i) content licensing services, under which we provide content with clearly defined rights and usage scope, including the commercially reliable content; (ii) content customization services, under which we deliver tailored content solutions designed to meet specific customer needs across content creation, production, management and deployment scenarios; and (iii) value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices, and content providers' community operations. Through these services, we have established a broad customer base, including news media, internet companies, brands and advertising agencies.

We believe this virtuous cycle enables us to shorten the path from content demand to commercially reliable output, allowing customers to more efficiently access, create and deploy commercially reliable and traceable content services. It also strengthens the value of our ecosystem to both customers and content providers, supporting the long-term growth and sustainability of our business.

Why Us

We believe we are well positioned to capture opportunities arising from the AI-driven transformation of the visual content services industry. AI technologies are reshaping the industry by accelerating the conversion of content into structured data, enhancing content discovery and creation, improving production efficiency and enabling new forms of content commercialization. As these developments continue to evolve, we believe industry participants with access to high-quality content assets, structured data capabilities, deep domain expertise and broad application scenarios will be best positioned to capture emerging opportunities.

Over the years, we have accumulated large-scale rights-cleared content and developed capabilities to transform such content into structured multidimensional data assets. Combined with our extensive industry experience and broad range of application scenarios, these capabilities enable us to integrate AI technologies into our services and workflows in a practical and commercially viable manner. Rather than relying solely on AI models, we leverage our content assets, data capabilities and domain expertise to continuously improve content discovery, matching, generation, customization and delivery, allowing us to provide more efficient, accurate and scalable solutions to our customers.

We believe AI not only enhances the utilization and value of content assets, but also drives innovation in business models and operating processes. By embedding AI capabilities across our service offerings and workflows, we are able to improve user experience, expand monetization opportunities and increase operational efficiency. AI-assisted annotation, search, review and content production processes help streamline workflows, reduce reliance on labor-intensive operations and enhance the scalability of our business. At the same time, the continuous interaction among our content assets, structured data and AI capabilities creates a self-reinforcing cycle that further strengthens our services.

OUR STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors:

- A global content ecosystem built with foresight;
- Diverse application scenarios and a broad customer base;
- Structured multidimensional data assets enabling competitive differentiation;
- AI capabilities spanning multimodal understanding and content generation;
- Robust content compliance framework underpinning commercial reliability and traceability; and
- Visionary and experienced management team guiding long-term growth.

See "Business — Our Strengths."

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business:

- Enhancing AI capabilities to drive business growth;
- Pursuing strategic investments in content, AI and other synergistic areas within our business ecosystem;
- Expanding application scenarios and customer base; and
- Diversifying content supply and enhancing providers' experience.

See "Business — Our Strategies."

OUR SERVICE OFFERINGS

The following table sets forth the breakdown of our revenue by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Content licensing services	575,209	73.7	609,585	75.1	523,688	67.2
Content customization services	151,620	19.4	163,763	20.2	209,240	26.9
Value-added services	54,001	6.9	37,836	4.7	45,542	5.9
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Content licensing services. We provide customers with content with clearly defined rights and usage scope. Our customers are able to download and use content licensed by us in a compliant manner. We share such revenue with content providers based on agreed arrangements, providing them with easy access to content commercialization. We deliver content licensing services through our platforms, primarily including *VCG.com*, *CFP.cn*, *VJshi.com* and *ImageShop.com*. In addition to our platforms, we offer API-based services that enable customers to integrate our content resources directly into their own systems and workflows.

Content customization services. Our customization services primarily include graphic design, video production and virtual production. We primarily serve customers with advertising, marketing and brand communication needs, across industries such as consumer electronics, automotive, consumer goods, financial services as well as culture and tourism. We provide traceable, reliable and stable generative AI capabilities through the Veer.com platform that enhances customers' customized content creation and production efficiency.

Value-added services. Our value-added services primarily consisted of (i) AI training data services, where we provide end-to-end data services covering the full lifecycle of AI training data, including data collection, processing, annotation, quality control, rights verification and licensing; (ii) digital asset management services, where we help customers to improve management efficiency, enhance utilization across different business scenarios and realize the commercial value of their content assets; (iii) visual content solutions for smart devices, where we license copyrighted content to business customers and participate in downstream monetization generated by end users; and (iv) content providers' community operations, where we empower our content providers by offering access to a broad range of resources and monetization opportunities through our platforms.

OUR CUSTOMER OUTREACH AND SERVICES NETWORK

We have established an integrated customer outreach and service network to support the delivery of our service offerings to customers around the world. In Chinese Mainland, we directly provide content licensing services, content customization services and value-added services to customers. We do not generally provide services directly to customers located outside Chinese Mainland, nor do we maintain a dedicated overseas sales team. Instead, we primarily rely on collaboration with international partners to reach and serve overseas customers. These partners include global news agencies such as the Associated Press and Agence France-Presse, as well as visual content agencies and distribution platforms such as Getty Images, Newscom, IMAGO and AFLO. Under such arrangements, we license certain content to these partners, who distribute and, where applicable sublicense, such content to their customer base in overseas markets. The following table sets forth a breakdown of our revenue by geographical locations for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	732,435	93.8	763,936	94.2	733,428	94.2
Overseas[(1)]	48,395	6.2	47,248	5.8	45,042	5.8
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Note:

(1) Revenue from overseas customers, primarily in the United States, United Kingdom, Germany and Japan.

OUR MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers mainly consisted of news media, internet companies, brands and advertising agencies. Revenue from our five largest customers in 2023, 2024 and 2025 was RMB172.8 million, RMB192.3 million and RMB187.4 million, respectively, representing 22.1%, 23.7% and 24.1% of our total revenue for the same respective years.

During the Track Record Period, our suppliers mainly consisted of content providers, customization service providers, as well as providers of technology and operational services. Purchases from our five largest suppliers in each year during the Track Record Period was RMB99.3 million, RMB81.6 million and RMB80.2 million, respectively, representing 19.3%, 14.9% and 14.0% of our total purchases for the same respective years.

See "Business — Major Customers and Suppliers."

COMPETITION

The visual content services market in China and globally has experienced steady growth in recent years. According to Frost & Sullivan, the visual content services market in China is projected to reach approximately RMB105.0 billion in 2030, representing a CAGR of approximately 12.1% from 2025 to 2030, with the visual content licensing services market projected to reach approximately RMB8.3 billion in 2030, representing a CAGR of approximately 5.5% from 2025 to 2030, and the visual content customization services market to reach approximately RMB96.7 billion by 2030, representing a CAGR of approximately 12.8% from 2025 to 2030. Specifically, the global visual content licensing services market is relatively concentrated while the market in China remains relatively fragmented. Market participants in both markets continue to differ in the breadth of their content libraries, licensing models, pricing strategies, customer coverage and distribution channels. We believe that our accumulation of a large-scale, curated, up-to-date content library, established and scalable business ecosystem, capabilities in delivering stable, customized, compliant and enterprise-grade services, as well as advanced service offerings, provide us with sustainable competitive advantages as the industry continues to evolve.

See "Industry Overview."

SUMMARY OF MATERIAL RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in "Risk Factors." You should carefully read that section in its entirety before you decide to [REDACTED] in our [REDACTED]. We believe the most significant risks we face include but are not limited to the following:

- We operate in a rapidly evolving industry;
- Our business depends on our ability to anticipate customer preferences and provide them with high-quality content;
- If content providers fail to obtain all necessary intellectual property rights for their uploaded content, we may be exposed to associated risks;
- If any content is deemed to violate any applicable laws or regulations, or is considered inappropriate or offensive, we may be materially and adversely affected;
- Our success partially depends on our stable relationship with content providers;
- Negative publicity may impair our brand image, reputation, and market recognition, which may affect our market competitiveness and sustainable development;
- If we cannot continue to innovate technologically or sell new services, or meet user demand, our ability to grow our revenue could be impaired; and
- We are exposed to legal risks and business impacts associated with the use of AI technologies and AI-generated content.

See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of historical financial information for the years or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountants' Report in Appendix I to this document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants' Report in Appendix I to this document, including the accompanying notes, and the information set forth in "Financial Information." Our historical financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**780,830**	**811,184**	**778,470**
Cost of revenue	(380,747)	(431,501)	(454,012)
Gross profit	**400,083**	**379,683**	**324,458**
Other net income	33,549	9,849	20,572
Selling and distribution expenses	(88,480)	(82,154)	(82,069)
Administrative expenses	(103,583)	(117,330)	(110,812)
Research and development expenses	(99,061)	(72,698)	(73,024)
Impairment loss on trade receivables, deposits and other receivables	(12,749)	(6,965)	(3,626)
Profit from operations	**129,759**	**110,385**	**75,499**
Finance costs	(8,893)	(10,212)	(10,281)
Share of profits less losses of a joint venture and associates	46,766	42,111	32,795
Profit before taxation	**167,632**	**142,284**	**98,013**
Income tax	(13,586)	(12,086)	(5,339)
Profit for the year	**154,046**	**130,198**	**92,674**

Content licensing services contributed RMB575.2 million, RMB609.6 million and RMB523.7 million of revenue in 2023, 2024 and 2025, respectively, accounting for 73.7%, 75.1% and 67.2%of our total revenue in the same respective years. Leveraging our large-scale, curated and rights-cleared content assets, we have broadened our service offerings to include content customization and selected value-added services, enabling us to address evolving customer needs and diversify our sources of revenue. We optimize our business model through the complementary development of content licensing and content customization services. While continuing to strengthen our content licensing business, we have accelerated the expansion of content customization services and value-added services, aiming to capture opportunities arising from the ongoing transformation of the content services industry.

Content Licensing Services. Our revenue from content licensing services decreased by 14.1% from RMB609.6 million in 2024 to RMB523.7 million in 2025, primarily due to customers' marketing budgets control, which resulted in reduced spending on our content licensing services. At the same time, the rapid development of AI technologies has changed certain content procurement and consumption patterns across the industry. We believe, however, that AI technologies also increase demand for high-quality, rights-cleared, traceable and reliable content assets and AI-enabled content services spanning across multiple application scenarios. In response to these industry developments, we have continued to integrate AI-enabled functionalities into our platforms and enhance our content library with the assistance of AI technologies, to mitigate the adverse impact on our content licensing services. Despite changes in industry dynamics, we continued to rank first in China's visual content licensing services market in 2025. Our content licensing services continued to benefit from a stable base of KA customers. The customer retention rate and net dollar retention rate of our KA customers were 77.6% and 81.7% in 2025, respectively. This reflects the value of our content assets, long-standing customer relationships and ability to serve customers' evolving content needs. We believe our extensive rights-cleared content library positions us well to meet such demand and strengthen customer retention and acquisition.

Content Customization Services. Content customization services contributed RMB151.6 million, RMB163.8 million and RMB209.2 million of revenue in 2023, 2024 and 2025, respectively, accounting for 19.4%, 20.2% and 26.9% of our total revenue during the same year. The increasing contribution of content customization services reflects (i) our continued efforts to expand our customer base, particularly among brands in industries such as consumer electronics, automotive, consumer goods, financial services, culture and tourism; and (ii) our ability to leverage AI technologies and content resources to address evolving customer requirements. We have enhanced both service quality and operational efficiency through the integration of AI technologies into our workflow. More importantly, AI technologies have expanded the range of application scenarios that we can serve, enabling us to deliver customized content solutions in multiple formats and across a broader spectrum of digital marketing, social media, smart devices and other content-driven applications. The continued growth of this business is also reflected in our operating metrics. During the Track Record Period, the average customer value increased from RMB1.5 million in 2023 to RMB1.9 million in 2025 and the number of newly secured projects increased from 467 in 2023 to 552 in 2025, reflecting the robust growth of our content customization business and providing visibility into future revenue generation. We believe content customization services represent an important growth driver for our future development, supported by increasing enterprise demand for tailored content solutions, the continued advancement of AI technologies and our growing customer base and project pipeline.

Value-added Services. Building upon our content assets, customer relationships and industry expertise, we have expanded into selected value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices and content providers' community operations. These services leverage our existing content ecosystem and operational capabilities while creating additional monetization opportunities beyond traditional content licensing.

Profitability and Long-term Sustainability. Our gross profit margin decreased from 51.2% in 2023 to 46.8% in 2024 and further to 41.7% in 2025, primarily due to changes in revenue mix and margin dynamics within our service offerings. In particular, content customization services generally carried lower gross profit margin than content licensing services and represented an increasing proportion of our revenue during the Track Record Period. This margin profile reflects the project-based nature of content customization services, which typically require third-party production and content suppliers in addition to our internal costs, resulting in a relatively higher cost base than content licensing services. The gross profit margin of our content customization services decreased from 18.2% in 2023 to 15.1% in 2024 as we were in the initial ramp-up stage of integrating AI technologies into these services. As our AI-enabled workflow solutions became more mature and integration efficiency improved, the gross profit margin of our content customization services subsequently increased to 16.4% in 2025. Looking ahead, we expect continued advancements in AI technologies, further workflow optimization and increasing scale efficiencies to support improvements in the profitability of our content customization services. Moreover, we intend to further strengthen the integration of content assets, AI capabilities and application scenarios across our service offerings. As regulatory and commercial requirements relating to AI-generated content continue to evolve, we believe our extensive rights-cleared content resources, structured data capabilities and AI-enabled workflow solutions position us well to capture increasing demand for compliant, traceable and commercially reliable content solutions. Through the continued enhancement of our services, together with ongoing improvements in operating efficiency, we aim to diversify our revenue streams, enhance profitability and support the long-term sustainability of our business.

See "Financial Information — Description of Major Components of Our Results of Operations."

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	3,521,399	3,533,233	3,486,555
Total current assets	656,996	743,472	858,807
Total assets	**4,178,395**	**4,276,705**	**4,345,362**
Total non-current liabilities	231,133	212,711	223,312
Total current liabilities	451,168	458,408	473,475
Total liabilities	**682,301**	**671,119**	**696,787**
Net current assets	**205,828**	**285,064**	**385,332**
Net assets	**3,496,094**	**3,605,586**	**3,648,575**

Our net current assets increased by 38.5% from RMB205.8 million as of December 31, 2023 to RMB285.1 million as of December 31, 2024. The increase was primarily due to an increase in cash and cash equivalents, mainly attributed to proceeds from our operating activities. See "Financial Information — Liquidity and Capital Resources — Cash Flow." Such increase was partially offset by (i) a decrease in restricted cash, attributable to the release of bank deposits previously pledged to secure bank borrowings; (ii) a decrease in financial assets measured at FVPL under current assets, primarily attributable to the redemption of structure deposits purchased by us upon maturity, see "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets Measured at FVPL;" and (iii) an increase in bank loans to supplement working capital for our daily operational needs, see "Financial Information — Indebtedness — Bank Loans and Other Borrowings."

Our net current assets increased by 35.2% from RMB285.1 million as of December 31, 2024 to RMB385.3 million as of December 31, 2025. The increase was primarily due to (i) an increase in financial assets measured at FVPL under current assets, primarily attributable to (a) purchase of new structure deposits, and (b) our equity investments in MiniMax, see "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets Measured at FVPL;" (ii) an increase in prepayments, deposits and other receivables, primarily related to (a) disposal of our equity interests in an associate, and (b) the increased prepayment to the third-party photographers, videographers, post-production vendors and creative agencies, see

"Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Prepayments, Deposits and Other Receivables;" and (iii) a decrease in bank loans, primarily attributable to the prepayment of certain bank loans, see "Financial Information — Indebtedness — Bank Loans and Other Borrowings." Such increase was partially offset by a decrease in cash and cash equivalents resulting from net cash used in investing and financing activities. See "Financial Information — Liquidity and Capital Resources — Cash Flow."

See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position."

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	179,159	150,314	97,959
Net cash generated from/(used in) investing activities	776	16,132	(116,634)
Net cash (used in)/generated from financing activities	(59,102)	14,309	(43,129)
Net increase/(decrease) in cash and cash equivalents	120,833	180,755	(61,804)
Effect of foreign exchange rate changes	(1,280)	2,193	(3,973)
Cash and cash equivalents at beginning of the year	231,019	350,572	533,520
Cash and cash equivalents at the end of the year	**350,572**	**533,520**	**467,743**

See "Financial Information — Liquidity and Capital Resources — Cash Flow."

Key Financial Ratios

The following table sets forth our key financial ratios for the years indicated:

	Year ended or as of December 31,		
	2023	2024	2025
Gross profit margin (%)(1)	51.2	46.8	41.7
Current ratio(2)	1.5	1.6	1.8
Operating cash flow conversion ratio(3)	1.16	1.15	1.06

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Current ratio equals total current assets divided by total current liabilities as of the relevant dates.

(3) Operating cash flow conversion ratio equals net cash generated from operating activities during the year divided by profit for the same year.

ACQUISITION OF CHENGDU GUANGCHANG

In March 2023, Yuandong Culture, a wholly-owned subsidiary of our Company, entered into an investment agreement to acquire 31.6% equity interest in Chengdu Guangchang at an aggregate consideration of RMB94.8 million by way of acquisition of equity interests from its then existing shareholders. Upon completion of the transaction, the equity interest of our Company in Chengdu Guangchang increased from 30% to 61.6%, whereupon it became a subsidiary of our Company.

The above acquisition of equity interest in Chengdu Guangchang is considered as a major acquisition for the purpose of Rule 4.05A of the Listing Rules, as the highest applicable percentage ratios in relation to the Chengdu Guangchang Acquisition exceeds 25% by reference to the most recent audited financial year of the Track Record Period. See Note 33 of Appendix I to this document and "Financial Information — Pre-acquisition Financial Information of Chengdu Guangchang".

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun directly and/or indirectly held approximately 9.87%, 5.93% and 3.47% of the total issued share capital of our Company, respectively. By virtue of the Concert Party Arrangements, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, in aggregate were able to hold approximately 19.27% of our total issued share capital and control 19.29% of the voting rights attached to the A Shares carrying voting rights in our Company (excluding the 998,800 A Shares held by our Company as treasury Shares) as of the Latest Practicable Date. See "History, Development and Corporate Structure — Concert Party Arrangements" 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]), Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, will be able to control an aggregate of approximately [REDACTED]% of the voting rights attached to the Shares carrying voting rights in the Company (excluding the 998,800 A Shares held by our Company as treasury Shares) and constitute our Single Largest Group of Shareholders immediately upon the [REDACTED]. See "Relationship with Our Single Largest Group of Shareholders".

DIVIDENDS

In 2023, 2024 and 2025, dividends of RMB10.5 million, RMB20.3 million and RMB16.8 million were declared and approved. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Any future determination to pay dividends will be made at the discretion of our Board of Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant.

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that the [REDACTED] has been completed and [REDACTED] H Shares are [REDACTED] pursuant to the [REDACTED].

	Based on an [REDACTED] of HK$[REDACTED] per H Share	Based on an [REDACTED] of HK$[REDACTED] per H Share
Market [REDACTED](1)	HK$[REDACTED]	HK$[REDACTED]
— Market [REDACTED] of our A Shares(2)	HK$[REDACTED]	HK$[REDACTED]
— Market [REDACTED] of our H Shares(3)	HK$[REDACTED]	HK$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per Share(4)	HK$[REDACTED] (RMB[REDACTED])	HK$[REDACTED] (RMB[REDACTED])

Notes:

(1) The total market [REDACTED] of the Company is based on [REDACTED] H Shares expected to be issued immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the total share capital of 700,577,436 A Shares as of the Latest Practicable Date.

(2) Based on (i) the 700,577,436 A Shares of the Company as of the Latest Practicable Date; and (ii) the average closing price of the A Shares of RMB23.3 per A Share for the five business days immediately preceding the Latest Practicable Date, the market value of the A Shares of the Company was approximately RMB16,289.8 million (equivalent to approximately HK$18,722.9 million).

(3) The calculation of market [REDACTED] of our H Shares is based on [REDACTED] H Shares expected to be issued pursuant to the [REDACTED], assuming the [REDACTED] is not exercised.

(4) The unaudited [REDACTED] adjusted net tangible assets per Share is arrived at after the adjustments as set out in Appendix II and on the basis that [REDACTED] Shares (being 700,577,436 Shares in issue as at December 31, 2025, deducting 1,841,800 Shares repurchased and held by the Company as at December 31, 2025 and adding [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED]) were in issue immediately following the completion of the [REDACTED], and does not take into account any H Shares which may be [REDACTED] upon the exercise of the [REDACTED]. For further details regarding the assumptions used and the calculation method, See "Appendix II — Unaudited [REDACTED] Financial Information".

FUTURE PLANS AND USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] commissions and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] and HK$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to enhance our AI capabilities to support our service offerings.
- Approximately [REDACTED]% (or HK$[REDACTED]) will be used for strategic investments, acquisitions and partnerships to enhance our technological and service capabilities.
- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to support our international business collaborations.
- Approximately [REDACTED]% (or HK$[REDACTED]) will be used for working capital and other general corporate purposes.

See "Future Plans and Use of [REDACTED]."

[REDACTED] EXPENSES

[REDACTED] expenses consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] expenses of approximately RMB[REDACTED] (HK$[REDACTED]), comprising: (i) [REDACTED] fees of RMB[REDACTED] (HK$[REDACTED]); and (ii) non [REDACTED] expenses of RMB[REDACTED] (HK$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and reporting accountants of RMB[REDACTED] (HK$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK$[REDACTED]), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), approximately RMB[REDACTED] (HK$[REDACTED]) of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB[REDACTED] (HK$[REDACTED]) of which is expected to be deducted from equity upon completion of the [REDACTED]. The [REDACTED] expenses are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2026.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the Shenzhen Stock Exchange since April 2014. Our Directors have confirmed that during the Track Record Period and up to the Latest Practicable Date, the Company had no instance 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. Our PRC Legal Advisor is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on Shenzhen Stock Exchange in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and the PRC Legal Advisor's view above, no material matter 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 Shenzhen Stock Exchange in all material respects.

DEFINITIONS

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 "Glossary of Technical Terms" in this document.

"2023 Employee Stock Ownership Scheme"	the employee stock ownership plan of our Company approved and adopted on November 13, 2023
"A Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and is/are listed for trading on the Shenzhen Stock Exchange and is/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(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted on March 16, 2026 with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix V to this document
"Audit Committee"	the audit committee of the Board
"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 business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Changzhou Five Hundred"	Changzhou Five Hundred Pixel Network Technology Co., Ltd. (常州五百像素網絡科技有限公司), a company established in the PRC on December 26, 2019, and our wholly-owned subsidiary
"Chengdu Guangchang"	Chengdu Guangchang Creative Technology Co., Ltd. (成都光廠創意科技有限公司) (formerly known as Chengdu Suolun Technology Co., Ltd. (成都倫索科技有限公司)), a company established in the PRC on April 9, 2015, and our non-wholly owned subsidiary
"China", "Chinese Mainland" or "the PRC"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China", "Chinese Mainland" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan of the People's Republic of China

DEFINITIONS

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"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
"Company", "our Company", or the "Company"	Visual China Group Co., Ltd. (視覺(中國)文化發展股份有限公司), whose predecessor Far East Industrial was a company with limited liability established in the PRC on May 23, 1985 and converted into a joint stock company with limited liability in the PRC on May 28, 1994, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 000681) on January 21, 1997
"Company Law" or "PRC Company Law"	the 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
"Corbis" or "Corbis Corporation"	a U.S.-based company founded in 1989 by Bill Gates and headquartered in Seattle, Washington
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
"Elephant Visual"	Elephant Visual (Shenzhen) Technology Co., Ltd. (大象視覺(深圳)科技有限公司), a company established in the PRC on March 26, 2025, and our non-wholly owned subsidiary
"ESG"	Environmental, Social and Corporate Governance
[REDACTED]	[REDACTED]
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by the government of Hong Kong in the case where 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
"Far East Industrial"	Far East Industrial Co., Ltd. (遠東實業股份有限公司), a company with limited liability established in the PRC on May 23, 1985 and converted into a joint stock company with limited liability in the PRC on May 28, 1994, the A Shares of which have been listed on the Shenzhen Stock Exchange (stock code: 000681) on January 21, 1997
[REDACTED]	[REDACTED]

"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Frost & Sullivan Report"	the industry report prepared by Frost & Sullivan, which we commissioned Frost & Sullivan to prepare on the Global and China's visual content services market
[REDACTED]	[REDACTED]
"Getty Images"	Getty Images Holdings Inc., a company listed on the New York Stock Exchange (ticker: GETY) and (as the case may be) its subsidiaries and/or affiliates
[REDACTED]	[REDACTED]
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any)
"Guide" or "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
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [REDACTED] and [REDACTED] in Hong Kong dollars and to be [REDACTED] on the Hong Kong Stock Exchange
[REDACTED]	[REDACTED]
"Hanhua Yimei"	Hanhua Yimei Visual Technology Co., Ltd. (漢華易美視覺科技有限公司) (formerly known as Changzhou Zhuxiao Software Co., Ltd. (常州竹曉軟件有限公司) and Changzhou Yixun Cloud+ Technology Co., Ltd. (常州億迅雲技術有限公司)), a company established in the PRC on May 31, 2016, and our wholly-owned subsidiary
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Huaxia Group"	Beijing Huaxia Visual Technology Group Co., Ltd. (北京華夏視覺科技集團有限公司) (formerly known as Beijing Hanhua Image Co., Ltd. (北京漢華易美圖片有限公司)), a company established in the PRC on January 27, 2005, and our wholly-owned subsidiary
"Huaxia Visual"	Huaxia Visual (Beijing) Image Technology Co., Ltd. (華夏視覺(北京)圖像技術有限公司), a company established in the PRC on August 28, 2006, and our wholly-owned subsidiary
"IFRS Accounting Standards"	IFRS Accounting Standards as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any person(s) or entity(ies) who is/are not a connected person of our Company within the meaning of the Listing Rules
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Latest Practicable Date"	June 5, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	[REDACTED]
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
[REDACTED]	[REDACTED]
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
"MIIT"	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
"MiniMax"	MiniMax Group Inc., a company listed on the Stock Exchange (stock code: 00100)
"Mr. Chai Jijun"	Mr. Chai Jijun (柴繼軍), our executive Director, president and one of the members of the Single Largest Group of Shareholders
"Mr. Liao Jie"	Mr. Liao Jie (廖杰), our chairman of the Board and executive Director
"Nomination Committee"	the nomination committee of the Board
"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]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Overseas Listing Trial Measures"	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》) released by the CSRC on February 17, 2023 and took effect on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	Merits & Tree Law Offices, the PRC legal advisor to our Company
"PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Regulation S"	Regulation S under the U.S. Securities Act
[REDACTED]	[REDACTED]
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Reverse Acquisition"	the acquisition of 100% equity interest of Huaxia Group and Huaxia Visual by Far East Industrial by issuing shares of Far East Industrial in 2014. See "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Reverse Acquisition and our A Shares Listing on Shenzhen Stock Exchange" in this document

"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Single Largest Group of Shareholders"	refers to collectively Ms. Wu Yurui (吳玉瑞), Mr. Liao Daoxun (廖道訓) and Mr. Chai Jijun (柴繼軍), the details of which are set out in "Relationship with Our Single Largest Group of Shareholders" in this document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Sole Sponsor"	Huatai Financial Holdings (Hong Kong) Limited
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of the Board
"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
"Tianjin Hanhua Yimei"	Hanhua Yimei (Tianjin) Image Technology Co., Ltd. (漢華易美(天津)圖像技術有限公司), a company established in the PRC on December 10, 2012, and our wholly-owned subsidiary

"Tianjin Huaxia Visual"	Huaxia Visual (Tianjin) Information Technology Co., Ltd. (華夏視覺(天津)信息技術有限公司), a company established in the PRC on December 10, 2012, and our wholly-owned subsidiary
"Track Record Period"	the financial years ended December 31, 2023, 2024, and 2025
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	The U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"Unity Glory"	Unity Glory International Limited (聯景國際有限公司), a company incorporated in Hong Kong on September 4, 2015, and our wholly-owned subsidiary
"VAT"	value-added tax
"Visual China Group (Hong Kong)"	Visual China Group Holding Limited (視覺中國集團控股有限公司), a company incorporated in Hong Kong on February 3, 2015, and our wholly-owned subsidiary
"Visual China HK"	Visual China Hong Kong Limited (視覺中國香港有限公司), a company incorporated in Hong Kong on February 3, 2015, and our wholly-owned subsidiary
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Yuandong Culture"	Changzhou Yuandong Culture Industry Co., Ltd. (常州遠東文化產業有限公司), a company established in the PRC on April 6, 2006, and our wholly-owned subsidiary
"%"	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 PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our Company's subsidiaries) 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.

GLOSSARY OF TECHNICAL TERMS

In this document, unless the context otherwise requires, the following technical terms shall have the meanings set out below. These terms and their meanings may not always correspond to standard industry meanings or usage of these terms.

"3D model"	a three-dimensional digital representation of an object, scene or character that can be created, rendered, edited or used in visual content production, simulation or interactive applications
"aesthetic evaluation model"	an algorithmic model used to assess the visual quality or aesthetic attributes of images, videos or other content based on predefined criteria, learned patterns or user preference signals
"AI"	artificial intelligence, referring to technologies that enable computer systems to perform tasks such as analysis, understanding, generation or decision support
"AI-generated content"	digital content generated, in whole or in part, using artificial intelligence technologies, including images, videos or other media created or modified by generative models
"annotation"	the process of labeling, classifying, segmenting or otherwise identifying attributes and information within data or content for organization, analysis, retrieval or model training purposes
"API"	application programming interface, a defined interface that allows different software systems to communicate with each other and exchange data or functionality
"API-based services"	services delivered through application programming interfaces, enabling customers' software systems to access, integrate or use specified data, functions or content programmatically
"CG model"	a computer-generated digital model of an object, scene or character created for use in visual content production, rendering, animation, simulation or related applications
"content customization services"	services under which customized visual content and related deliverables are produced based on specific customer requirements, primarily including graphic design, video production and virtual production
"content matching"	the process of identifying and selecting content that best corresponds to user input, requirements or context based on attributes, metadata or semantic analysis
"content providers"	institutions or individuals that provide content to the Company and authorize the Company to license, distribute or otherwise commercialize such content through its platforms or service offerings
"content tagging" or "tagging"	the process of assigning descriptive labels or metadata to digital content, enabling classification, organization, search and retrieval
"copyright"	legal rights granted to creators or rights holders over original works, including the right to control the use, reproduction and distribution of such works
"digital asset management"	the process or system for storing, organizing, managing, retrieving and distributing digital files and content assets within an organization

GLOSSARY OF TECHNICAL TERMS

"expert annotation"	the process of annotating data or content by trained personnel or domain specialists based on defined standards, guidelines or subject-matter knowledge
"generative AI"	a category of artificial intelligence technologies capable of generating new content, such as text, images, audio or video, based on input data or prompts
"licensing"	the process by which a rights holder grants permission to another party to use protected content under agreed terms and conditions
"metadata"	structured information that describes, explains or otherwise enables the identification, retrieval, use or management of data or content
"multimodal"	relating to or involving multiple types of data or content formats, such as text, images, audio, video or 3D models
"proprietary content"	content owned or controlled by us and included in our content resources, as opposed to content contributed by third-party content providers
"rights-cleared content"	content for which the relevant rights have been obtained, verified or otherwise cleared such that it may be used, licensed, distributed or commercialized within the applicable authorized scope
"semantic analysis"	the process of analyzing the meaning, context, relationships or attributes of data, text or content to support classification, search, matching, understanding or other downstream applications
"semantic search"	a search approach that seeks to understand the meaning or context of user input to improve the relevance of search results, rather than relying solely on keywords
"structured multidimensional data"	data that has been organized into structured formats with multiple layers of descriptive attributes or metadata, enabling efficient storage, search, analysis and reuse across different applications
"traceability"	the ability to identify and verify the origin, rights status or usage history of content through records, metadata or related mechanisms

FORWARD-LOOKING STATEMENTS

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 includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, 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 risks. You should carefully consider all of the information in this document, including our consolidated financial statements and related notes, before making an [REDACTED] in our H Shares.

Our business, financial conditions, results of operations and prospects could be materially and adversely affected by any of these risks, some of which are beyond our control. Other risks and uncertainties that we are not currently aware of or that are not disclosed or implied below, or which we do not currently believe to be material, may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The [REDACTED] of our H Shares may decline due to any of these risks, and you may lose all or part of your [REDACTED]. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in a rapidly evolving industry.

Our business performance is closely linked to, and dependent on, the development of this industry. The visual content services industry continues to evolve significantly, and is characterized by rapid technological advancements (including the adoption of AI technologies in content creation, processing and distribution), intensifying competition from emerging AI platforms and service providers, and evolving and increasingly stringent regulatory requirements, particularly in relation to content compliance, intellectual property protection and data security. The increasing adoption of AI-generated content and automated content production tools may alter market dynamics, lower entry barriers in certain segments and intensify price competition, which could adversely affect our market position, pricing strategies and revenue growth. In addition, changes in customer preferences, including increased demand for customized, real-time and multi-format content solutions, may require us to continuously upgrade our service offerings, platforms and technologies.

The industry in which we operate is rapidly evolving. If we fail to respond effectively to these industry changes, or if the industry develops in a manner different from our expectations, including with respect to technological evolution, competitive landscape or regulatory environment, our business, financial condition and results of operations may be materially and adversely affected.

Our business depends on our ability to anticipate customer preferences and provide them with high-quality content.

Customer demand, preferences and willingness to pay in the visual content industry have been, and are expected to continue to be, subject to ongoing changes.

Our business success depends on our ability to anticipate customer preferences and provide high-quality content that meets their evolving demands. To attract and retain customers, we must offer diverse content, introduce innovative services, and deliver a satisfactory experience. Failure to do so may materially and adversely affect our ability to retain existing customer and attract new ones.

As customer preferences and industry standards are constantly evolving, if we fail to timely and accurately anticipate changes in customer preferences or adapt our business strategies accordingly, we may not be able to consistently provide services that meet customer expectations, and our business, financial condition, results of operations and growth prospects may be materially and adversely affected.

If content providers fail to obtain all necessary intellectual property rights for their uploaded content, we may be exposed to associated risks.

We rely on a large number of content providers to supply and license content to us, and we may have limited control over the completeness and accuracy of the underlying documentation evidencing the relevant intellectual property rights. If content providers fail to obtain all necessary intellectual property rights for their uploaded content, we may be exposed to associated risks. Content posted on our platforms may expose us to allegations by third parties of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of third-party rights. In particular, certain rights with specific attributes, such as portrait rights and property rights, require complete and valid authorization before the relevant content may be used for commercial purposes. Any defects, omissions or inconsistencies in such documentation may give rise to disputes relating to portrait rights, privacy rights or property rights. We cannot assure you that the measures we have implemented will completely prevent such allegations. If such allegations arise, we may be required to respond to them, which may result in substantial costs and diversion of our resources.

In addition, in the event of an adverse outcome of any disputes relating to such allegations, we may be required to remove or cease licensing such content, suspend or restrict related services, take other remedial measures, pay damages or satisfy indemnification obligations to our customers. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

If any content is deemed to violate any applicable laws or regulations, or is considered inappropriate or offensive, we may be materially and adversely affected.

Failure to identify and prevent illegal, inappropriate or offensive content from being uploaded or displayed on our platform could expose us to regulatory actions, fines and reputational damage. The regulatory authorities may require us to remove such content or disable certain platform functions, which could disrupt our operations. For example, in 2019, we were subject to an administrative fine for failing to fulfill our obligations to effectively manage and monitor user-uploaded content. The relevant deficiencies have since been rectified with the support of our enhanced internal control. See "Business — Legal Proceedings and Compliance Matters — Compliance."

Any failure to effectively identify, monitor and prevent the dissemination of content that may be deemed inappropriate or in violation of applicable laws and regulations could expose us to regulatory actions, fines and reputational damage, which may materially and adversely affect our business, financial condition and results of operations.

Our success partially depends on our stable relationship with content providers.

Our success depends on maintaining stable and collaborative relationships with content providers. These content providers are essential to ensuring a steady supply of high-quality and relevant content that attracts and retains customers. We provide functions on our platforms that enable content providers to upload, tag, edit and distribute content, and have generally been successful in encouraging their participation. However, we cannot guarantee that content providers will continue to contribute content that meets market demand or remain committed to our platforms.

If content providers reduce their contributions, cease uploading content or if the quality or relevance of their content fails to meet the expectations of our customers, our customer base could decline, which may in turn lead to reduced revenue and materially and adversely affect our business, financial condition and results of operations. Any deterioration in our relationships with content providers or disruption in the supply of high-quality content could materially and adversely affect our growth prospects.

In particular, we have developed content provider communities, which supports content distribution and interaction among content providers and users. Our content providers use our platforms not only for the distribution of their content, but also to engage within a structured community environment. However, we may be unable to maintain and further develop such communities, and may cease to be the preferred platforms for our content providers.

For example, as the number of our content providers increases, we may experience difficulties in effectively managing and guiding content providers to comply with our platform rules and standards. Any failure to maintain the quality, integrity or order of our communities may adversely affect user experience and content supply, and as a result, our business and results of operations may be materially and adversely affected.

Negative publicity may impair our brand image, reputation and market recognition, which may adversely affect our market competitiveness and sustainable development.

Our brand image, reputation and market recognition may be affected by various factors, including: (i) customer satisfaction with our services; (ii) our community culture and relationships with content providers; (iii) our marketing activities, new business initiatives and the market acceptance of our products and services and (iv) public and media coverage relating to us, whether substantiated or not, including discussions on social media and other online platforms.

We manage a large-scale content library sourced from a broad network of providers, licensors and business partners, and we operate in an environment that is subject to heightened public scrutiny with respect to copyright compliance, content governance, licensing practices, authorization chains and rights management. We have in the past been subject to negative public and media attention relating to certain aspects of our copyright compliance, presentation of rights information and authorization practices, which adversely affected our brand image and market perception. In certain circumstances, public perception of a matter may develop before all relevant facts are established or before the conclusion of judicial, regulatory or other proceedings, and may not subsequently align with the ultimate findings or outcomes of such proceedings. Disputes, allegations or controversies relating to content ownership, authorization status, licensing rights or content usage may arise from time to time notwithstanding our policies and procedures designed to verify rights information and authorization status, particularly in light of the scale, complexity and continuously evolving nature of our content library.

If similar events, allegations, disputes, controversies or adverse publicity occur, regardless of its merits or ultimate outcome, it may materially and adversely affect our reputation, brand image and market perception. Any significant or prolonged reputational damage could impair customer trust, provider engagement and business relationships, weaken our competitive positioning and ability to expand into new business areas, and ultimately materially and adversely affect our business, financial condition, results of operations and prospects.

If we cannot continue to innovate technologically or sell new services, or meet user demand, our ability to grow our revenue could be impaired.

Our growth depends on our ability to continuously innovate and add value to our existing services reliably, as well as the deployment of new features. For example, the development and deployment of AI technologies and the offering of digital asset management services require additional capital and resources. Without ongoing improvements to our platforms, systems and data processing capabilities, our operations may suffer from unanticipated system disruptions, slow performance or unreliable service levels, any of which could negatively affect our reputation and ability to attract and retain users.

Our growth also depends, in part, on our ability to identify and develop new services and enhance existing services. The process of developing new services, enhancing existing offerings and bringing such services to market in a timely manner is complex and uncertain, and we may not successfully execute our strategies because of challenges such as product planning and timing, technical hurdles or a lack of resources.

In addition, there can be no assurance that services and technologies developed by others will not render our existing services or technologies obsolete or less competitive. If we are unsuccessful in developing new or enhancing our existing service offerings, our ability to compete in the marketplace, to attract and retain customers could be impaired.

We are exposed to legal risks and business impacts associated with the use of AI technologies and AI-generated content.

In the course of developing, introducing and operating AI-related services, given that the relevant laws, regulations, judicial practices and industry standards in the field of AI are still evolving, we cannot assure that the sources, ownership, scope of authorization and methods of use of all training data will not be questioned or challenged. Future changes in relevant laws, regulations, regulatory requirements or judicial interpretations may restrict our ability to obtain, use or process certain training data, require us to adjust our model development approaches, delete relevant data, discontinue the use of specific datasets, re-obtain authorizations or incur additional fees, increasing our operating costs and adversely affecting our product development plans.

Content generated or assisted by our AI technologies may be alleged by third parties to be similar to their works, trademarks, voices, portraits or other legally protected content, or be accused of infringing upon third-party copyrights, trademark rights, patent rights, trade secrets, rights of personality or other legal interests. Even if such allegations are ultimately determined to be unsubstantiated, we may still need to devote substantial time and resources to respond to them and may incur costs related to litigation, arbitration, regulatory investigations, settlements, damages, licensing fees or other related expenses.

With respect to the ownership, availability for protection, scope of rights and allocation of liability for AI-generated content, the legal provisions and judicial practices across different jurisdictions vary and continue to evolve. If relevant laws, regulations, regulatory policies or judicial practices change, resulting in us or our customers being unable to obtain, hold, license, enforce or commercially exploit the rights related to AI-generated content as expected, or imposing additional legal liabilities on us, such changes could reduce customer demand for our services and have adverse effect on our business, financial condition, results of operations and future prospects.

We may not be able to prevent others from engaging in unauthorized use of our intellectual property, unfair competition, defamation or other violations of our rights, which could harm our business and competitive position.

We rely on an extensive content library, which consists of proprietary content and content provided by content providers, for which content providers grant us the rights to use, distribute and otherwise exploit such content, and, where applicable, to take actions in relation to the protection of the relevant intellectual property within the scope of such authorization. Any unauthorized use of our intellectual property by third parties may reduce the perceived exclusivity and commercial value of our content, and adversely affect our current and future operations and our reputation.

Nevertheless, preventing and policing unauthorized use of our content and related data assets is difficult and expensive. While we rely on a combination of patent, copyright, trademark and trade secret laws, as well as contractual arrangements and platform rules governing the use of our content, to protect our intellectual property rights, third parties may nonetheless attempt to copy or otherwise obtain and use our intellectual property, including through unauthorized downloading, redistribution or use outside the scope of granted licenses, or seek court declarations that they do not infringe upon our intellectual property rights. Furthermore, others may engage in conduct that constitutes unfair competition, defamation or other violations of our rights, which could harm our business, reputation and competitive position.

Other unlawful conduct against us is also difficult to prevent and police. We cannot assure you that the steps we have taken will prevent misappropriation of our rights. In addition, if we are unable to effectively protect our intellectual property rights, we may experience reduced demand for our content, loss of customers or increased pricing pressure, any of which could materially and adversely affect our business, financial condition and results of operations.

We may be subject to complex and evolving laws and regulations and governmental policies regarding cybersecurity, privacy and data protection.

We collect and process data primarily from content providers and content users in the course of our operations, and the secure storage and maintenance of such data are critical. Such data may include content metadata, user interaction data and other operational data generated through our platforms and services. As privacy and data protection laws across jurisdictions are complex and evolving, we cannot assure you that our measures will always fully align with evolving regulatory expectations or interpretations. Any actual or alleged inconsistency with applicable data protection requirements may harm our reputation and adversely affect our business, financial condition and results of operations.

We may also be subject to overseas data protection regimes, particularly in connection with our overseas operations and international content distribution arrangements. Interpretation and application of such laws and regulations may vary across jurisdictions, and any regulatory changes or additional compliance requirements may materially and adversely affect our business, financial condition and results of operations.

Any data security incident, including unauthorized access, loss or leakage of data, or regulatory inquiry, review or investigation relating to our data practices may result in investigations, penalties, restrictions on our services or disruptions to our platform operations. In particular, changes in regulatory requirements or evolving enforcement practices relating to data handling, storage or cross-border data transfers may require us to modify our systems or business processes, or restrict certain data-related functions of our platforms.

In addition, compliance with such laws may increase costs or require changes to our operations, including additional investments in data security, internal controls and compliance systems, which could adversely affect our business.

We may not be able to effectively implement our business strategies.

Our continued growth depends on our ability to effectively implement our business development strategies. The successful execution of such strategies requires, among other things, our ability to maintain and expand our network of content providers, continuously deliver content that meets evolving customer needs, enhance our platform functionalities, and effectively manage our operations and compliance obligations across different business segments and markets.

As our business continues to evolve, including the expansion of application scenarios and geographic coverage, the complexity of our operations and management is expected to increase. We may face challenges in ensuring that our strategic planning, institutional framework, organizational structure and operational management remain effective and aligned with our business expansion. Any inefficiencies or inadequacies in these areas could adversely affect our management efficiency and our ability to execute our strategies.

Furthermore, we may encounter difficulties in coordinating content supply and demand, optimizing platform operations, developing and commercializing new services, and responding in a timely and cost-effective manner to regulatory developments and market changes. If we fail to execute our business strategies effectively or within the expected timeframe and budget, our business, financial condition and results of operations may be materially and adversely affected, and our growth prospects may be limited.

Our international operations are subject to uncertainties associated with international partners and market conditions, which could adversely affect our business and results of operations.

We primarily rely on collaboration with international partners to reach and serve overseas customers. These partners include global news agencies, visual content agencies and distribution platforms. We license certain content to these partners, who distribute and, where applicable sublicense, such content to their customer base in overseas markets. International partners are generally responsible for their own distribution activities and customer relationships in the relevant overseas markets. We typically receive licensing fees and, where applicable, royalties based on the downstream commercialization of such content in accordance with the relevant arrangements. As a result, our revenue generated from overseas markets depends in part on the effectiveness of such partners in distributing, marketing and monetizing our content.

If our international partners experience operational difficulties, reduce their promotional efforts, lose market share, encounter financial difficulties, fail to effectively commercialize our content or otherwise fail to perform as expected, demand for our content in overseas markets may decline and our overseas commercialization opportunities may be adversely affected. In addition, delays, discrepancies or disputes relating to reporting, settlement, royalty calculations or other cooperation arrangements may affect the timing or amount of revenue recognized by us, delay our business development plans or adversely affect our cash flows and results of operations. In addition, our international cooperation may also be affected by changes in market conditions, industry practices, technological developments, partner-specific business circumstances, geopolitical developments, trade restrictions, sanctions or changes in applicable laws and regulations affecting our partners or the relevant markets. If any of the foregoing risks materialize, our overseas revenue, commercialization opportunities, business development plans and prospects for international growth could be adversely affected.

Historical financial performance may not be indicative of our future performance.

Our historical financial performance may not be indicative of our future performance. During the Track Record Period, our revenue amounted to RMB780.8 million, RMB811.2 million and RMB778.5 million in 2023, 2024 and 2025, respectively, while our profit for the year was RMB154.0 million, RMB130.2 million and RMB92.7 million, respectively. Our financial performance, including our profitability, has experienced fluctuations during the Track Record Period.

Our future growth and profitability are subject to various factors, many of which are beyond our control, including the successful implementation of our business development strategies, changes in macroeconomic conditions, evolving regulatory requirements, technological developments such as advancements in artificial intelligence, and shifts in competitive dynamics within the industry. These factors may materially affect customer demand, our cost structure and our overall operating performance.

In addition, we cannot assure you that we will be able to successfully implement our business development strategies as planned or at all. The implementation of such strategies may require substantial capital investment, and we may not be able to achieve the anticipated returns on such investments in a timely manner or at all. Accordingly, investors should not rely on our results of operations for any prior period as an indication of our future performance.

Our acquisition and investment activities and other strategic transactions may present managerial, integration, operational and financial risks, which may prevent us from realizing the full intended benefit of the acquisitions we undertake.

As part of our growth strategy, we have engaged, and may in the future engage, in acquisition, investments and other strategic transactions to diversify our new services, or enter into geographic markets more efficiently. These transactions entail significant integration, operational and financial risks. The process of integrating acquired brands, businesses or technologies may involve complexities related to cultural alignment, systems harmonization, the retention of key personnel and the consolidation of supply and user resources. Failure to successfully integrate acquired assets or realize anticipated synergies could lead to operational disruptions or a failure to achieve targeted financial and strategic benefits.

Moreover, acquisitions, investments and other strategic transactions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the incurrence of debt, the incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

We cannot assure you that we will successfully expand into the target markets. If we are unable to effectively manage our expansion into new markets or the diversification of our service offerings or if our acquisition strategy does not yield the expected returns, our business, financial condition and operating competitive position and operational results may be materially and adversely affected.

We are exposed to risks arising from fair value fluctuations of our financial assets measured at fair value through profit or loss ("FVPL") and uncertainties in valuation due to the use of unobservable inputs.

Our financial assets measured at FVPL are measured at fair value using valuation methodologies that may incorporate certain unobservable inputs. As of December 31, 2023, 2024 and 2025, the financial assets measured at FVPL amounted to RMB45.2 million, RMB15.3 million and RMB147.7 million, respectively, with the significant increase in 2025 primarily attributable to our investments in MiniMax. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets Measured at FVPL." The fair value of these financial assets, including equity instruments, is subject to fluctuations driven by various factors which may be beyond our control, such as market volatility, interest rate movements, changes in our credit profile and the performance and development of the underlying investee companies. In addition, certain of our financial assets at FVPL are categorized as Level 3 financial assets, the valuation of which involves significant unobservable inputs and management judgment. Such unobservable inputs may not fully capture prevailing market conditions and may be based on assumptions that may not materialize, resulting in valuation uncertainty. As a result, the carrying value of these financial assets may differ from the amount that could be realized in an actual transaction. Any changes in the fair value of our financial assets at FVPL are recognized in profit or loss and may adversely affect our results of operations and financial condition.

We are subject to risks relating to fluctuations in foreign exchange rates.

We are exposed to foreign exchange risk primarily through transactions that are denominated in a currency other than the functional currency. In 2023, 2024 and 2025, we incurred net foreign exchange losses of RMB7.0 million, RMB1.3 million and RMB1.5 million, respectively. In addition, we are also subject to currency conversion risks arising from overseas transaction. The fluctuations in the exchange rates among Renminbi, the U.S. dollar and other foreign currencies could affect our financial performance and results of operations. There may be limited instruments we can use to reduce our exposure to exchange rate fluctuation, and the instrument we use to reduce our foreign exchange risk exposure may not be effective. Also, the cost of such foreign exchange rate hedging instruments may fluctuate significantly over time and may outweigh the potential benefit from the reduced currency volatility. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. Any volatility of the Renminbi exchange rate in the future may materially affect our businesses, financial condition and operating results and future prospects.

Our success depends on our strong relationships with certain major customers.

During the Track Record Period, our customers mainly consisted of news media, brands, internet companies and advertising agencies. Revenue from our largest customer for the year ended December 31, 2023, 2024 and 2025 amounted to RMB70.4 million, RMB85.6 million, RMB105.2 million, respectively, accounting for 9.0%, 10.5% and 13.5% of our total revenue for the same respective years. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB172.8 million, RMB192.3 million and RMB187.4 million, respectively, and accounted for 22.1%, 23.7% and 24.1% of our total revenue for the same respective years. See "Business — Major Customers and Suppliers — Our Major Customers."

Our business, financial condition and results of operations depend on our ability to continue working with these major customers or new major customers and the financial condition and commercial success of our customers, as well as factors influencing the development of the industry.

Any material delay, reduction or termination in demand from our major customers could cause our revenue to decline, materially and adversely affecting our results of operations. We cannot assure you that our relationship with our major customers during the Track Record Period will continue in the future without any disruption, or that we will find alternative customers for our services at commercially acceptable prices, on satisfactory terms, in a timely manner or at all.

We have a certain amount of goodwill and we may incur significant impairment charges which could materially impact our financial conditions and results of operations.

Our goodwill amounted to RMB1,351.4 million, RMB1,352.9 million and RMB1,350.7 million as of December 31, 2023, 2024 and 2025, respectively. Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses. We generally determine whether goodwill is impaired on an annual basis. In evaluating the potential for impairment of goodwill, our management makes a number of assumptions, see Note 13(a) of Appendix I to this document. This requires us to make subjective assumptions, and there are inherent uncertainties relating to this analysis and our management's judgment in assessing the recoverability of the goodwill. If any of the assumptions does not materialize, or if the performance of the acquired business is not consistent with such assumptions, we may be required to write off part or all of our goodwill and record an impairment loss. Any significant impairment of goodwill could substantially affect our reported earnings in the periods when recognized. In addition, impairment charges would negatively affect our financial ratios, which may limit our ability to obtain external financings.

We depend on key and highly skilled personnel to operate our business.

Our success depends on the expertise and dedication of our senior management and other highly skilled personnel, many of whom are difficult to replace. The loss of any of our key employees could negatively impact our operations. Competition for qualified talent, particularly in the visual content services industries, is intense. Our ability to attract, retain and motivate qualified talent is critical to sustaining our growth. Failure to do so could materially harm our business. In addition, the need to expand our workforce and retain key employees may significantly increase employee benefit expenses and other related expenses.

We may be involved in lawsuits, claims, disputes, regulatory investigations or legal proceedings in our ordinary course of business.

In the course of our operations, we may become involved in various legal and regulatory proceedings. These could include intellectual property disputes, regulatory investigations or inquiries relating to content copyright compliance, disputes with content providers, users or business partners and compliance reviews related to data privacy or marketing practices. In addition, in 2019, we were subject to regulatory inquiries and were required to carry out rectification measures in respect of certain online operational practices, including the scope of content and information services provided on our platform. See "Business — Legal Proceedings and Compliance Matters."

Such proceedings, even if without merit or ultimately resolved in our favor, often require significant management time and attention, incur substantial legal costs, and may lead to settlements or judgments against us. Furthermore, any negative outcomes or even the mere existence of such proceedings, could generate adverse publicity, damage our brand reputation and erode consumer trust, particularly given the visibility of our platforms and the nature of our content services. This could in turn materially and adversely affect our business, financial condition and results of operations.

Failure to complete lease registration for properties may expose us to administrative penalties, additional compliance costs and potential operational disruptions.

Our ability to maintain and renew lease agreements on commercially acceptable terms is critical to our operations. If we fail to renew leases or if any lease is terminated before expiry, we may need to relocate, which could result in business disruption and additional costs. There is no assurance that we can secure alternative premises in a timely manner on acceptable terms. Disputes with landlords may also lead to early termination and legal proceedings, adversely affecting our business and financial condition.

In addition, all of our major leased properties in China had not completed the required lease registration with government authorities as of the Latest Practicable Date. As advised by our PRC Legal Advisor, the lack of registration of lease agreements does not affect the validity of the lease agreements, or result in us being required to vacate these leased properties under the PRC Law, but we may be ordered by the relevant competent authorities to complete the registration within a prescribed time period, and may be subject to fines from RMB1,000 to RMB10,000 for each lease agreement that we fail to register within the time period. If incomplete registration lead to challenges to our leasehold rights or prevent lease renewal, we may be forced to relocate and incur significant expenses, our ordinary course of business may be disrupted and delayed, which could materially and adversely affect our operations.

Any discontinuation, reduction or delay in payment of any government grants, tax refund or preferential tax treatments may have an adverse impact on our business.

During the Track Record Period, we have benefited from certain government grants and preferential tax policies. In 2023, 2024 and 2025, we received government grants of RMB4.6 million, RMB6.7 million and RMB2.3 million, respectively. Under the PRC Enterprise Income Tax Law (the "**EIT Law**") and Implementation Regulation of the EIT Law, our Company and certain of our subsidiaries are accredited as "National High-Tech Enterprise" and Certain of our subsidiaries have been approved as Small and Low-profit Enterprises (小型微利企業) and were therefore entitled to a preferential tax rate during the Track Record Period.

However, government grants and preferential tax treatments granted to us by government authorities are subject to change. Furthermore, our eligibility for certain benefits requires periodic review and recertification and there is no guarantee that we will continue to qualify. If significant government grant is discontinued, reduced or significantly delayed, or if our eligibility for tax incentives lapses, our operating expenses could increase, and our financial performance could be materially and adversely affected. In addition, we operate in multiple jurisdictions and are subject to various local tax regimes, and changes in overseas tax laws or policies may expose us to additional tax risks. We are also subject to reviews, audits and examinations by PRC and overseas tax authorities.

The increasing awareness of ESG matters may lead to the adoption of more stringent laws and regulations and increase our compliance costs.

The increasing awareness of ESG matters among consumers, investors and regulators may lead to the adoption of more stringent sustainability, ethical and compliance requirements, which could significantly increase our operational and compliance costs. We are subject to growing expectations and potential regulations related to environmental impact, labor practices and corporate transparency. Failure to meet these evolving standards or to accurately communicate our ESG commitments may not only result in legal penalties or restricted market access, particularly in regions with strict sustainability mandates, but also diminish our brand attractiveness among increasingly conscious consumers. Furthermore, implementing comprehensive ESG-related initiatives, such as reforming supply chain management, requires substantial investment and ongoing operational adjustments. If we are unable to effectively integrate ESG principles into our business strategy, monitor compliance across our extensive partner network or respond proactively to new regulatory demands, we may face reputational damage, loss of market share and increased costs, which could materially and adversely affect our business, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Force majeure events, natural disasters, epidemics, acts of war or terrorism or other factors beyond our control could adversely affect the economies, infrastructure and lives of people in the countries or regions in which we operate. Our operations may be subject to the threat of floods, earthquakes, dust storms, snowstorms, fires or droughts, power, water or fuel shortages, malfunctions, breakdowns and failures of information management systems, unexpected maintenance or technical problems or be vulnerable to potential war or terrorist attacks. Severe natural disasters could result in loss of life, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism could also injure our employees, cause loss of life, disrupt our business operation and impair our markets. Any of these factors, as well as other factors beyond our control, could materially and adversely affect the overall business sentiment and environment, lead to uncertainty in the countries or regions in which we operate, cause our business to suffer losses that we cannot predict and have a material and adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Any changes to the social and economic policies, regulatory landscape or any unforeseen regulatory regime in any jurisdiction in which we operate could adversely affect our business, financial condition and results of operations.

The operations of our businesses are mainly subject to applicable laws, rules and regulations at the national and regional levels in the jurisdiction where we operate. New laws and regulations relevant to our businesses may be introduced in the future, or the current applicable laws and regulations may be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. Newly promulgated laws and regulations may be subject to further variations in application, interpretation and implementation. We may also be subject to evolving social and economic policies in the jurisdiction where we operate, which may increase the complexity of our operations. There can be no assurance that we can adapt to the evolving regulatory, social and economic environment swiftly enough or in a cost-efficient manner, failure of which may adversely affect our operations and lead to costs.

We are subject to the laws and regulations governing generative artificial intelligence services.

The Cyberspace Administration of China (the "**CAC**") issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (the "**AIGC Measures**") (《生成式人工智能服務管理暫行辦法》) on July 10, 2023, which stipulate standards for generative AI services, propose measures to promote the development of generative AI technology and clarify requirements for training data processing activities and data annotation. We cannot assure you that such measures will at all times be adequate, effective or consistently implemented. Competent authorities may inquire into or review our compliance status, and future regulatory developments may impose additional or more stringent inspection or labelling requirements. If any of our AIGC-related outputs fail to satisfy identification obligations, or if our internal controls are deemed insufficient, we may be subject to warnings, notices of criticism, orders to rectify or other regulatory actions, which could disrupt our service delivery, result in increased compliance costs or adversely affect customer confidence. We may also face contractual disputes, claims or other legal liabilities arising from output inaccuracies, labelling deficiencies or insufficient governance controls. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

You may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC, and most of their assets are also located in China. Consequently, you may face challenges in serving legal process on us or our Directors or senior management residing in the PRC. According to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and 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》) ("**Arrangements**"), effective January 29, 2024, promulgated by the Supreme People's Court, parties may apply for recognition and enforcement of final judgments in civil and commercial cases, rendered by designated courts in either the PRC or Hong Kong. However, recognition and enforcement of such judgments in the PRC remain subject to case-by-case review by the relevant courts, and we cannot guarantee that all Hong Kong court judgments will be recognized or enforced in the PRC.

Furthermore, under the Civil Procedure Law of the PRC and other applicable regulations, foreign court judgments may be recognized and enforced in the PRC only if a treaty for reciprocal enforcement exists between the PRC and the jurisdiction where the judgment was issued. Therefore, you may fail to enforce in the PRC the judgment obtained in the courts of the aforementioned jurisdictions against us or our Directors or senior management.

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

Under the PRC Enterprise Income Tax Law and its implementation rules, dividends derived from PRC sources and paid to non-PRC resident enterprise investors are generally subject to PRC withholding tax at a rate of 10%, and gains from the transfer of shares may also be subject to PRC income tax at a rate of 10%, in each case unless a tax treaty or similar arrangement provides otherwise. Under the PRC Individual Income Tax Law and its implementation rules, dividends from PRC sources paid to non-PRC resident individual investors are generally subject to PRC withholding tax at a rate of 20%, subject to any applicable tax treaty. Pursuant to relevant PRC tax circulars, dividends paid to non-PRC resident individual holders of H Shares may be subject to a reduced withholding tax rate of 10% depending on the applicable tax treaty or tax arrangement between the PRC and the jurisdiction of residence of such holders. Non-PRC resident individual holders residing in jurisdictions without tax treaties with the PRC are generally subject to a 20% withholding tax on dividends.

Under existing PRC tax regulations, gains derived by individuals from the transfer of listed shares may be exempt from PRC individual income tax. However, there is no assurance that future laws, regulations or practices will not impose PRC income tax on non-PRC resident individual holders in respect of gains from the transfer of our H Shares. If PRC income tax is imposed on dividends paid to, or gains realized from the transfer of H Shares by, non-PRC resident investors, the return on and value of your investment may be adversely affected. In addition, investors who are eligible for benefits under tax treaties or arrangements with the PRC may not qualify for such benefits in practice.

We are subject to the currency exchange regulatory system.

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 funds 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 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 funds 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 approval from or register with the SAFE to convert RMB into any foreign exchange funds 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.

RISKS RELATING TO THE [REDACTED]

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

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Hong Kong Stock Exchange. Under current laws and regulations of the PRC, without 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. The H Share and A Share markets have different trading characteristics with divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [REDACTED] 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. 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 your [REDACTED] regarding our H Shares.

We will be concurrently subject to listing and regulatory requirements of Chinese Mainland and Hong Kong.

As we are listed on the Shenzhen Stock Exchange and will be [REDACTED] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in complying with both sets of listing rules in the two jurisdictions.

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

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] will develop and maintain following completion of the [REDACTED]. In addition, the [REDACTED] of our H

Shares is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us, and may not be an indication of the [REDACTED] of our H Shares following completion of the [REDACTED]. If an active public market for our H Shares does not develop following completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The [REDACTED] and [REDACTED] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions for securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] and [REDACTED] 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 [REDACTED] and [REDACTED] of our Shares. In addition to market and industry factors, the [REDACTED] and [REDACTED] of our H 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, the shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and the price of our H Shares may experience change that is not directly related to our performance.

Future sales or perceived sales of substantial amounts of our H Shares and/or A Shares in the public market could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of [REDACTED] of substantial amounts of our H Shares and/or A Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, you may experience dilution in your holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or share-linked securities may be issued by us may also confer rights and privileges that take priority over those conferred by our H Shares.

In addition, while investors, except for cornerstone investors, subscribing shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they [REDACTED], they may have existing arrangements or agreements to dispose of part or all of the H Shares they hold immediately upon or within a certain period following the [REDACTED] for legal and regulatory, business and market, or other reasons. Any sale of the H Shares [REDACTED] such investors pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares, and any sizeable sale could have a material and adverse effect on the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] of our H Shares.

Our Single Largest Group of Shareholders has substantial influence over our Company, and their interests may not be aligned with the interests of our other Shareholders.

Our Single Largest Group of Shareholders has exercised significant influence over our operations, including decisions on management structure, corporate policies, mergers and acquisitions, expansion strategies, major asset transactions, the appointment of Directors and other key corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of an opportunity to receive a premium for their Shares in the course of a sale of our Company and might reduce the price of our H Shares. The aforementioned potential events may occur even if they are opposed by other shareholders. In addition, the interests of our Single Largest Group of Shareholders may differ from the interests of our other Shareholders. It is possible that our Single Largest Group of Shareholders may use their influence to engage in transactions or make decisions that conflict with the best interests of other Shareholders.

We cannot assure you that we will declare and distribute any amount of dividends in the future. If we do not pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

We cannot assure you when and in what form dividends will be paid on our H Shares after the [REDACTED]. The declaration and distribution of dividends is at the discretion of the Board and our ability to pay dividends or make other distributions to our Shareholders is subject to various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not be able to have sufficient profits, if any, to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. We currently intend to retain most, if not all, of our available funds and any future earnings after the [REDACTED] to fund our business operations. As a result of the above, we cannot assure you that we will be able to make dividend payments on our H Shares in the future and, if so, you must rely on price appreciation of our H Shares for a return on your [REDACTED]. Therefore, you should not rely on an [REDACTED] in our H Shares as a source for any future dividend income, as you may not realize a return on your [REDACTED] in our H Shares and may even lose your [REDACTED].

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

As our A Shares are listed on the Shenzhen 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 us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on the regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen 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 should be reminded that, in making their [REDACTED] 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].

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various publicly available and independent third-party sources, including the industry report, contained in this document.

This document, particularly the section headed "Industry Overview", contains information and statistics relating to the industry in which we operate. Such information and statistics have been derived from official government sources, which have not been independently verified by us, the Sole Sponsor, [REDACTED] nor our or their respective affiliates or advisors 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 flawed or 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. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED], 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 [REDACTED] not to rely on any information contained in press articles or other media regarding us, our H Shares and the [REDACTED]. Prior to the publication of this document, there may be press and media coverage regarding the [REDACTED] and us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective investors are cautioned to make their [REDACTED] on the basis of the information contained in this document only and should not rely on any other information.

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

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words "aim," "anticipate," "believe," "could," "predict," "potential," "continue," "expect," "intend," "may," "might," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources, are estimates reflecting the best judgment of our Directors and senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Consequently, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and [REDACTED] should not place undue reliance on them.

In preparation of the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provide that a new applicant for listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's headquarters are based, and most of the business operations of our Group, are managed and conducted in the PRC. The executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where our Group's substantial operations are located. As such, the Company does not and, in the foreseeable future, will not be able to comply with the requirements of Rule 8.12 of the Listing Rules for sufficient management presence in Hong Kong.

Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(i) our Company has appointed Mr. Liao Jie and Mr. Poon Ping Yeung (潘秉揚) ("**Mr. Poon**") as the authorized representatives of our Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as our Company's principal channel of communication with the Stock Exchange. Mr. Poon is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone, facsimile (if applicable) and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the Authorized Representatives;

(ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers and email addresses (if any), to the Authorized Representatives and to the Stock Exchange, so that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact the Directors;

(iii) our Company has appointed Central China International Capital Limited as its compliance advisor (the "**Compliance Advisor**") for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company's financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will act as our Company's additional and alternative channel of communication with the Stock Exchange, and its representatives will be readily available to answer enquiries from the Stock Exchange; and

(iv) our Company has appointed designated staff members as the responsible communication officers at our Company's headquarters to oversee regular communication with the Authorized Representatives and our Company's professional advisors in Hong Kong, including its legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and our Company following the [REDACTED].

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of our company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he played;

(ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

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

(iv) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Wei Linfeng (魏麟灃) ("**Mr. Wei**") as one of the joint company secretaries. Mr. Wei joined our Group in April 2025. He currently also holds the position of our investment director. See "Directors and Senior Management" in this document for further biographical details of Mr. Wei. Although Mr. Wei does not possess the qualifications set out in Rule 3.28 of the Listing Rules, our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have Mr. Wei as its joint company secretary who is familiar with our Group's internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance and public relationship related matters.

Our Company has also appointed Mr. Poon to act as the other joint company secretary to assist Mr. Wei in discharging the duties of a company secretary of our Company. Mr. Poon is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Listing Rules to act as a joint company secretary of our Company. See "Directors and Senior Management" for further biographical details of Mr. Poon.

Since Mr. Wei does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years since the [REDACTED] on the following conditions: (i) Mr. Wei must be assisted by Mr. Poon who possesses the qualifications or experience as required under Rule 3.28 of the Hong Kong Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver will be revoked in the event of a material breach of the Listing Rules by our Company.

In support of the waiver application, our Company has adopted, or will adopt the following arrangements:

(i) in preparation of the application of the [REDACTED], Mr. Wei has attended training on the respective obligations of the Directors, senior management and our Company under the relevant Hong Kong laws and the Listing Rules organised by the Hong Kong legal advisors to our Company;

(ii) Mr. Poon will work closely with Mr. Wei to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Mr. Wei in acquiring the relevant experience as required under the Listing Rules for an initial period of three years from the [REDACTED], a period which should be sufficient for Mr. Wei to acquire the relevant experience as required under the Listing Rules;

(iii) our Company will ensure that Mr. Wei continues to have access to the relevant training and support in relation to the Listing Rules and the duties required for a company secretary of an [REDACTED] on the Stock Exchange. Furthermore, both Mr. Wei and Mr. Poon will seek advice from our Company's Hong Kong legal and other professional advisors as and when required. Mr. Wei also undertakes to take no less than 15 hours of relevant professional training in each financial year of our Company; and

(iv) before the end of the three-year period, the qualifications and experience of Mr. Wei and the need for on-going assistance of Mr. Poon will be further evaluated by our Company. Our Company will then endeavour to demonstrate to the Stock Exchange's satisfaction that Mr. Wei, having had the benefit of the assistance of Mr. Poon for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary. Our Company understands that the Stock Exchange will immediately revoke the waiver if Mr. Poon ceases to provide assistance to Mr. Wei during the three-year period or when there is an event of a material breach of the Listing Rules by our Company.

Prior to the expiry of the three-year period, our Company will liaise with the Stock Exchange to enable it to assess whether Mr. Wei has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions for our Company under the Listing Rules after [REDACTED]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the partially continuing connected transactions. For more information, see "Connected Transactions."

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Liao Jie (廖杰)	Room 1060, Zone B No. 4, Yuyang Road Shunyi District, Beijing PRC	Canadian
Mr. Chai Jijun (柴繼軍)	Room 101, Building 2 Yard 2, Huguang Middle Street Chaoyang District, Beijing PRC	Chinese
Non-Executive Director		
Mr. Wu Siyuan (吳斯遠)	Room 301, Block H, Chunshui'an No. 1 Xiangshan Middle Street Nanshan District, Shenzhen Guangdong Province PRC	Chinese
Independent Non-Executive Directors		
Mr. Lu Xianzhong (陸先忠)	No. 16, Third Floor, Unit 3 Building 4, No. 44 Taiping Road Haidian District, Beijing PRC	Chinese
Mr. Zhang Lei (張磊)	Room 101, No. 4 Building 2, Yilin Jiayuan Chaoyang District, Beijing PRC	Chinese
Dr. Li Jing (李晶)	Flat C, 17/F, Block 1 23 Sha Wan Drive, Pok Fu Lam Hong Kong	Chinese (Hong Kong)

For further details, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED]	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong
Legal Advisors to our Company	*As to Hong Kong law:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong **Pang, Li & Partners LLP in association with Merits & Tree LLP** Room 3310, 33/F, Jardine House, 1 Connaught Place, Central Hong Kong *As to PRC law:* **Merits & Tree Law Offices** 12/F, Raffles City Beijing Office Tower No. 1 Dongzhimen South Street Dongcheng District Beijing PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law:* **Zhong Lun Law Firm LLP** 4/F, Jardine House No. 1 Connaught Place Central Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 12/F–15/F, China World Office 2 No. 1 Jianguomenwai Avenue Chaoyang District, Beijing PRC
Auditor and Reporting Accountants	**KPMG** *Certified Public Accountants* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 Nanjing West Road Shanghai PRC
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered Office	Room 101, 1/F, Building 6 No. 123 Hexiang Road West Taihu Science and Technology Industrial Park Changzhou, Jiangsu Province PRC
Headquarters and Principal Place of Business in the PRC	2/F to 3/F, Building 204, No. A 10, Jiuxianqiao North Road Chaoyang District, Beijing PRC
Place of Business in Hong Kong	19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Company's Website	www.vcg.com *(The information contained in the website does not form part of this document)*
Joint Company Secretaries	**Mr. Wei Linfeng (魏麟灃)** 2/F to 3/F, Building 204, No. A 10, Jiuxianqiao North Road Chaoyang District, Beijing PRC **Mr. Poon Ping Yeung (潘秉揚)** *(associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* 19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Authorized Representatives	**Mr. Liao Jie (廖杰)** Room 1060, Zone B No. 4, Yuyang Road Shunyi District, Beijing PRC **Mr. Poon Ping Yeung (潘秉揚)** 19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Audit Committee	Mr. Lu Xianzhong (陸先忠) (*Chairperson*) Mr. Zhang Lei (張磊) Mr. Wu Siyuan (吳斯遠)
Nomination Committee	Mr. Lu Xianzhong (陸先忠) (*Chairperson*) Mr. Wu Siyuan (吳斯遠) Dr. Li Jing (李晶)
Remuneration and Appraisal Committee	Mr. Zhang Lei (張磊) (*Chairperson*) Mr. Lu Xianzhong (陸先忠) Mr. Wu Siyuan (吳斯遠)

CORPORATE INFORMATION

Strategy Committee	Mr. Liao Jie (廖杰) (*Chairperson*) Mr. Chai Jijun (柴繼軍) Mr. Lu Xianzhong (陸先忠)
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[REDACTED]	**[REDACTED]**
Principal Banks	**China Merchants Bank** **Beijing North Third Ring Branch** First Floor, Block D Global Trade Center No. 36, North Third Ring Road East Dongcheng District, Beijing PRC
	China Merchants Bank **Tianjin Wuqing Branch** Basement Shop, Jiafeng Building No. 695, Yongyang West Road Yangcun Town Wuqing District, Tianjin PRC

Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. We believe that the sources of such information and statistics are appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false in any material respect or misleading or that any fact has been omitted that would render such information or statistics false in any material respect or misleading. None of our Company, the Sole Sponsor, [REDACTED], any of our or their respective directors, officers, employees, agents or advisers has verified the information and statistics from official government sources and thus makes no representation as to the accuracy, fairness and completeness of the information and statistics from official government sources. Accordingly, information and statistics from official government sources should not be unduly relied upon.

SOURCE OF INDUSTRY INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis on Global and China's Visual Content Services Market and prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB450,000, which we believe to be consistent with market rates.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) global social, economic and political environment is likely to remain stable in the period of 2025 to 2030 (the "forecast period"); (ii) purchasing power is expected to continue to rise moderately in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the forecast period.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on detailed primary research which involved discussing the status of the Global and China's Visual Content Services Market with certain leading industry participants and secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Our Directors confirm that, after taking reasonable care, there has been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF GLOBAL AND CHINA'S VISUAL CONTENT SERVICES MARKET

Definition and Classification

The visual content services market refers to the commercial market for the creation, production, licensing, distribution and management of visual content assets, including images, videos, illustrations, vector graphics and other visual materials. Market participants provide visual content licensing and customization services to enterprises and individual customers for commercial use across a broad range of scenarios, including advertising, e-commerce, media publishing, corporate communications, public relations, government information dissemination, and promotional content creation by individual creators and merchants. The market excludes visual content services primarily intended for personal and non-commercial purposes, such as wedding photography and personal portrait photography. It also excludes the downstream distribution of completed audiovisual works, such as the distribution of films and television dramas.

The market encompasses the full lifecycle of visual content, from acquisition and authorized use to customized production and operational management. Participants in the market provide professional services that enable organizations to obtain compliant, high-quality visual materials efficiently and to manage such assets within structured workflows.

Based on service format and delivery model, the visual content services market can be segmented into the two following primary submarkets:

- **Visual content licensing services** refer to the provision of pre-produced visual assets through centralized content libraries or platforms, where customers obtain usage rights through copyright licensing arrangements. These services typically include single-asset licensing, subscription-based access or long-term agreements, allowing enterprises to use standardized visual materials in commercial activities.

- **Visual content customization services** refer to project-based or service-based production tailored to specific client requirements. These services include photography, video production, graphic design, post-production editing and other forms of creative execution delivered according to defined communication objectives or marketing campaigns.

Value Chain Analysis

The visual content services market is structured around an integrated value chain comprising up-stream content supply, mid-stream service enablement and down-stream content consumption. Up-stream participants provide diverse visual assets and creative resources, while down-stream users generate demand for visual content across advertising, marketing, media, e-commerce, public communication and individual content creation scenarios. Between these two ends of the value chain, mid-stream service providers play a central role by transforming fragmented up-stream content resources into standardized, rights-cleared, searchable, licensable and commercially deliverable visual products and services.

- ***Up-stream: Visual Content Suppliers***

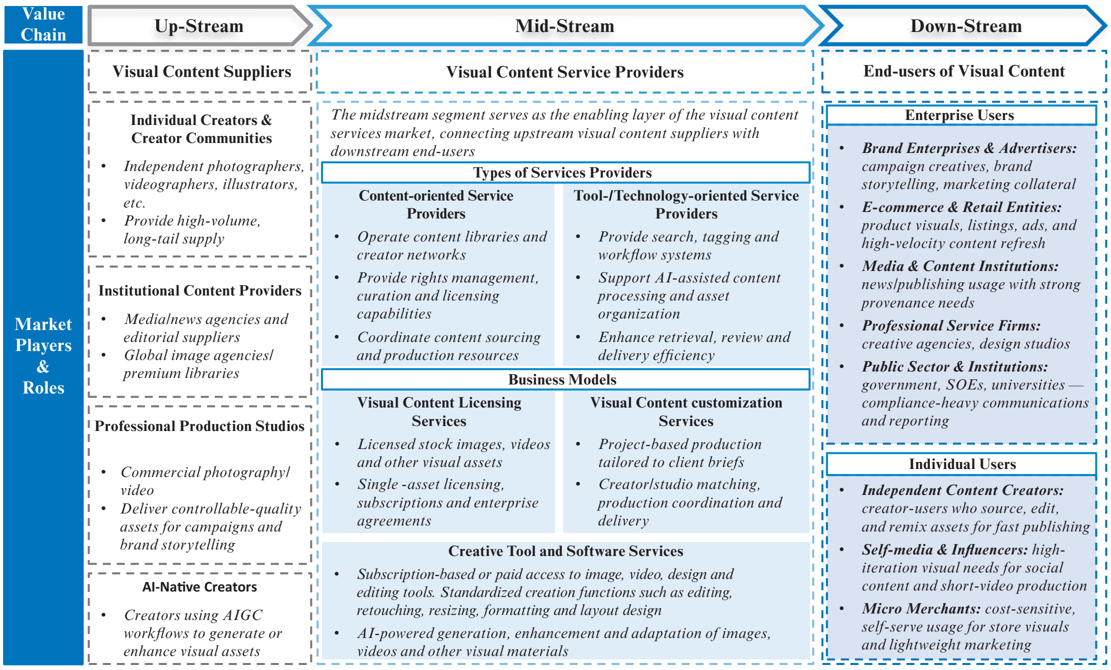
The up-stream of the visual content services market mainly consists of content suppliers and rights holders, including individual creators, creator communities, institutional content providers, professional studios and AI-native creators. These participants provide photographs, videos, illustrations, editorial images and other visual assets that form the industry's content foundation. Institutional providers and professional studios offer higher-quality and rights-cleared assets for commercial and editorial use, while individual creators contribute diverse long-tail content. The adoption of AIGC tools has further expanded content creation efficiency and enriched the up-stream supply pool.

- ***Mid-stream: Visual Content Service Providers***

The midstream serves as the enabling layer of the visual content services market, connecting upstream visual content suppliers with downstream end-users. Market participants in this segment can generally be categorised into content-oriented service providers and tool- or technology-oriented service providers, each with distinct capabilities and value propositions. Content-oriented service providers focus on organising and commercialising fragmented upstream content resources by transforming them into searchable, rights-cleared, licensable and commercially deliverable visual content products and services through licensing and customization models. Tool- or technology-oriented service providers, by contrast, focus on providing digital tools, creative software and technology-enabled platforms that improve the efficiency, accessibility and scalability of visual content creation, editing, generation, management and distribution. In recent years, the boundaries between these two types of participants have become increasingly blurred. Content-oriented service providers have been strengthening their technological capabilities in areas such as AI-assisted creation, asset management, rights protection, intelligent search and multi-channel distribution. At the same time, tool- or technology-oriented service providers have been expanding into content-related services by embedding stock assets, templates, creator resources and licensing functions into their platforms. Such convergence reflects the market's shift towards integrated visual content solutions that combine content resources, production tools, rights management and commercial delivery capabilities.

● ***Down-stream: End-users of Visual Content***

The down-stream of the visual content services market comprises enterprise, institutional and individual users. Enterprise customers, including brands, advertisers, e-commerce companies, media organisations and public institutions, represent the primary source of demand, driven by advertising, marketing, content publishing and public communication needs. Individual users, such as independent creators and influencers, also require visual content for content creation and promotion. As visual content consumption becomes increasingly diversified across advertising, e-commerce, social media and publishing channels, this market trends expect to drive mid-stream service providers to play an increasingly important role in connecting content supply with down-stream demand.



Source: Frost & Sullivan Analysis

Global Visual Content Services Market

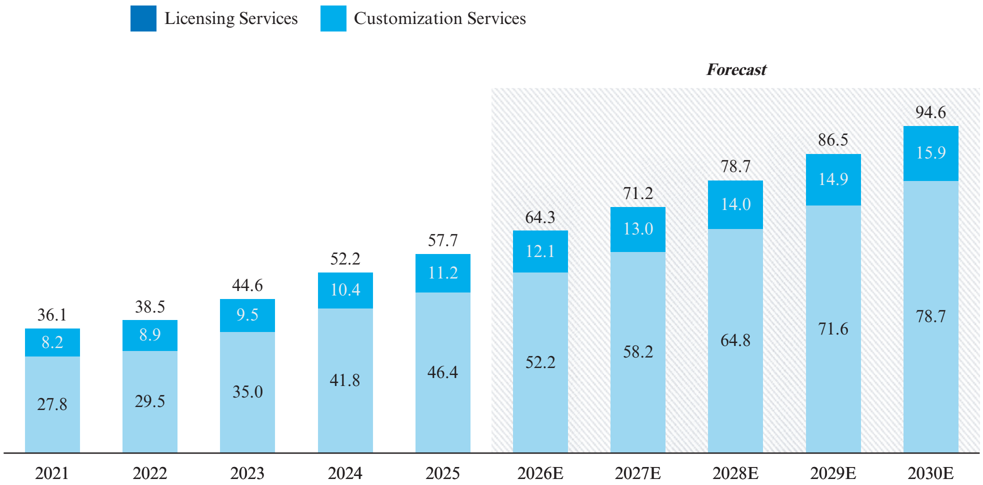
The global visual content services market has expanded steadily in recent years alongside the continued digitization of enterprise communication and the growing importance of visual media in commercial and institutional activities. Organizations across industries increasingly rely on professional visual services to support marketing execution, brand management, media publishing and digital commerce, resulting in sustained demand for both licensed visual assets and customized content production. In 2025, the global visual content services market reached approximately USD57.7 billion, registering a CAGR of approximately 12.4% between 2021 and 2025.

Future growth is expected to be driven by structural changes in how enterprises produce and distribute content. Communication cycles are becoming shorter and more continuous, requiring a steady supply of visual materials rather than isolated campaign-based production. At the same time, cross-border brand expansion and localized marketing increase the need for scalable visual services that can adapt content across regions and formats. Strengthening copyright enforcement and enterprise compliance standards further support demand for professionally sourced visual content. In addition, improvements in production efficiency enabled by digital workflows and AI-assisted tools are expected to expand achievable output under existing budgets, making professional visual services accessible to a broader range of organizations. By 2030, the global visual content services market is forecasted to reach approximately USD94.6 billion, yielding a CAGR of approximately 10.4% between 2025 and 2030.

Visual Content Services Market by Type, Global

USD Billion; 2021–2030E

CAGR	Total	Licensing Services	Customization Services
2021–2025	12.4%	8.0%	13.7%
2025–2030E	10.4%	7.2%	11.1%



Notes:

(1) The market size refers to the aggregated revenues generated by visual content service providers from providing visual content licensing services and customization services to individuals and enterprise.

(2) Totals may not equal the sum of individual categories due to rounding.

Source: *Frost & Sullivan Analysis and Estimates, National Bureau of Statistics of China, China Economic Information Service, Expert Interviews*

China's Visual Content Services Market

Demand-side Dynamics of China's Visual Content Services Market

Enterprise-level customers represent a stable and high-value demand base for the visual content services market. Large organizations operate continuous communication cycles across branding, marketing, commerce and public information dissemination, resulting in recurring demand for professionally sourced visual materials and customized creative production under stricter compliance requirements.

- **Brand promotion and advertising** constitute a primary driver of enterprise procurement. In 2025, China's total advertising expenditure reached approximately RMB1,738.9 billion, of which online advertising accounted for approximately 91.5%, representing a CAGR of approximately 11.1% between 2021 and 2025. The high penetration of digital advertising indicates that a substantial portion of marketing budgets is delivered through image- and video-based formats. Enterprises increasingly rely on licensed visual assets and professional production to maintain brand consistency across multiple digital channels, shifting visual usage from campaign-based projects toward ongoing operational demand.

- **Media and information dissemination** also contributes to stable enterprise demand. News organizations, digital platforms and public information agencies produce large volumes of daily content requiring licensed imagery and video with clear copyright status. The expansion of online news consumption and audiovisual media increases production speed and scale, making access to compliant visual assets a critical operational requirement. Enterprise users in this segment prioritize reliability, legal clarity and delivery efficiency, supporting long-term relationships with professional providers.

- **E-commerce and livestream commerce operations** generate sustained demand for high-frequency visual production. In 2025, China's online retail sales reached approximately RMB16.0 trillion, while the number of online shopping users reached approximately 976.0 million. Merchants require continuous product imagery, promotional visuals and short-form video materials to support product launches, seasonal campaigns and livestream marketing. Rapid inventory turnover and frequent promotion cycles reinforce recurring procurement of visual assets and customized services, embedding professional visual content into routine commercial operations.

Meanwhile, China's mid-to-long tail user base represents an expanding source of incremental demand. SMEs, individual merchants and independent creators increasingly rely on visual expression as a primary communication method. Although individual transaction sizes are smaller, the aggregate scale is significant due to the size of the user population and the high frequency of content production. The shift toward visual-first communication supports broader adoption of standardized visual assets and lightweight creative services.

- **Short video and social content intensity** is a key driver of long-tail demand. In 2025, China's short video user base reached approximately 1.1 billion, with average daily usage of approximately 2.6 hours. The dominance of short-form video increases content output by small businesses and creators, requiring continuous access to reusable visual materials and editing resources. As visual storytelling becomes the primary format for online engagement, long-tail users increasingly depend on professional content assets to improve production quality.

- **Expansion of the creator economy and productivity tools** accelerates visual content consumption. Adoption of design and editing software enables more participants to produce content, increasing demand for licensed assets. Monthly active users of major design and video editing tools reached approximately 350.0 million in 2025, while the number of active creators continues to grow. These tools increase production frequency and baseline quality expectations, reinforcing demand for structured visual asset libraries.

- **Growth in SMEs and online merchants** strengthens the structural foundation of long-tail demand. In 2025, China's registered market entities reached approximately 185.0 million, including approximately 58.0 million SMEs and 127.0 million individual merchants. A growing share operates partially or fully online, requiring visual materials for storefront presentation, advertising and customer communication. Digitalization transforms visual content from occasional marketing material into a routine operational input, supporting sustained demand growth.

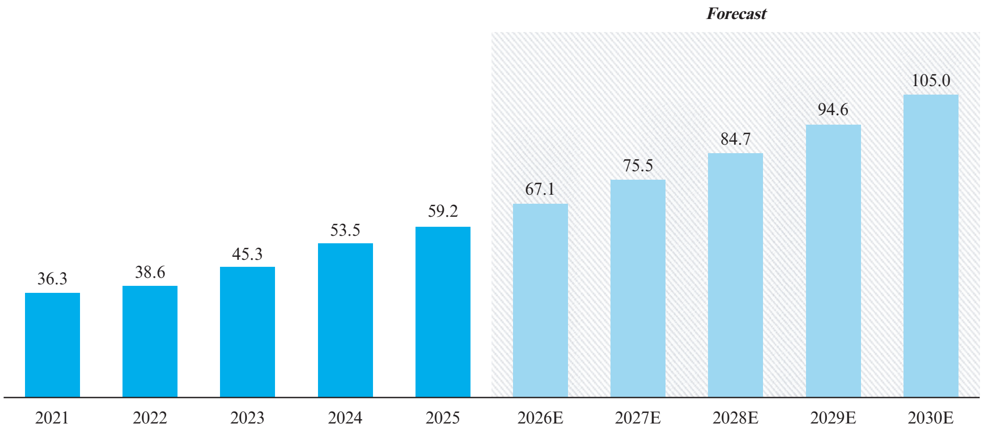
Growth Potential of China's Visual Content Services Market

Building on the above demand-side fundamentals, China's visual content services market has expanded rapidly in recent years, reflecting the increasing intensity and commercialization of visual communication across both enterprise and long-tail user segments. In 2025, the market size reached approximately RMB59.2 billion, growing at a CAGR of approximately 13.0% from 2021 to 2025. This growth was primarily supported by the continued expansion of digital advertising and e-commerce operations, the high-frequency content production environment driven by short video and social platforms and the rising adoption of compliant and professional visual content procurement. Looking ahead, the market is expected to maintain a growth trajectory as enterprises further institutionalize visual content usage within ongoing marketing and commerce workflows, while SMEs and creators continue to scale content output supported by broader digital distribution channels and productivity tools. By 2030, China's visual content services market is forecasted to reach approximately RMB105.0 billion, representing a CAGR of approximately 12.1% from 2025 to 2030.

Visual Content Services Market, China

RMB Billion; 2021–2030E

CAGR	2021–2025	2025–2030E
Visual Content Services Market, China	13.0%	12.1%



Notes:

(1) The market size refers to the aggregated revenues generated by visual content service providers from providing visual content licensing services and customization services to individuals and enterprises.

(2) Totals may not equal the sum of individual categories due to rounding.

Source: Frost & Sullivan Analysis and Estimates, National Bureau of Statistics of China, China Economic Information Service, Expert Interviews

China's Visual Content Licensing Services Market

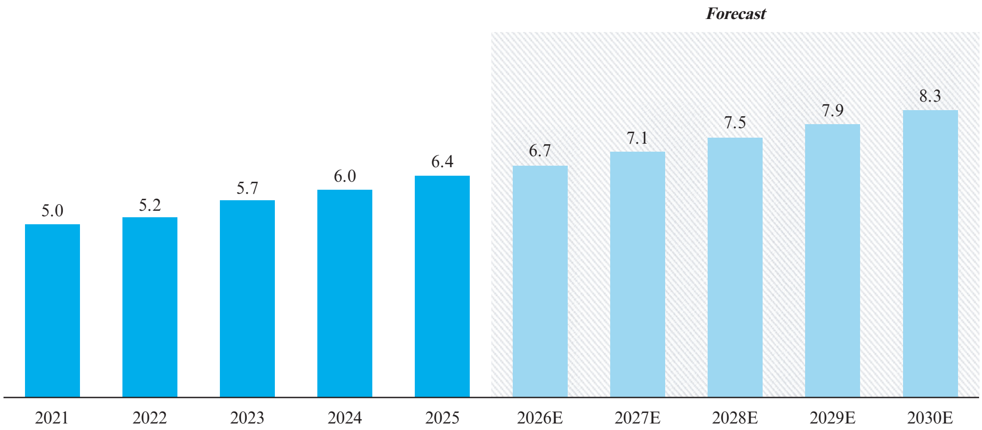
China's visual content licensing services market has continued to expand as licensed visual assets become increasingly embedded in commercial communication and content production workflows. In 2025, the market reached approximately RMB6.4 billion, representing a CAGR of approximately 6.2% from 2021 to 2025. Enterprise users remained the primary demand base of the market, driven by their recurring needs for compliant, high-quality and reusable visual assets across advertising, e-commerce, social media operations, corporate communication and public-sector dissemination. As enterprises increasingly operate across multiple content channels, their demand has also extended from static imagery to video, audio and other multi-format digital media, supporting broader and more frequent adoption of licensing services.

In addition to enterprise demand, individual content creators are becoming an emerging growth driver. The toolisation of content creation, including editing tools, template-based production functions and AI-assisted workflows, has lowered the threshold for individuals to create and publish visual content. Supported by China's large short-video user base of approximately 1.1 billion in 2025, with average daily usage of approximately 2.6 hours, individual users increasingly require professional visual assets to improve content quality, production efficiency and stylistic consistency. As copyright awareness continues to improve, these users are gradually shifting from informal or fragmented sourcing toward standardized and compliant licensing solutions. Looking ahead, continued demand from enterprise content production, rising adoption among individual creators, multi-format asset expansion and AI-enabled improvements in search, tagging and compliance screening are expected to sustain market growth. By 2030, the market is projected to reach approximately RMB8.3 billion, representing a CAGR of approximately 5.5% from 2025 to 2030.

Visual Content Licensing Services Market, China

RMB Billion; 2021–2030E

CAGR	2021–2025	2025–2030E
Visual Content Licensing Services Market, China	6.2%	5.5%



Notes:

(1) The market size refers to the aggregated revenues generated by visual content service providers from providing visual content licensing services to individuals and enterprises.

(2) Totals may not equal the sum of individual categories due to rounding.

Source: Frost & Sullivan Analysis and Estimates, National Bureau of Statistics of China, China Economic Information Service, Expert Interviews

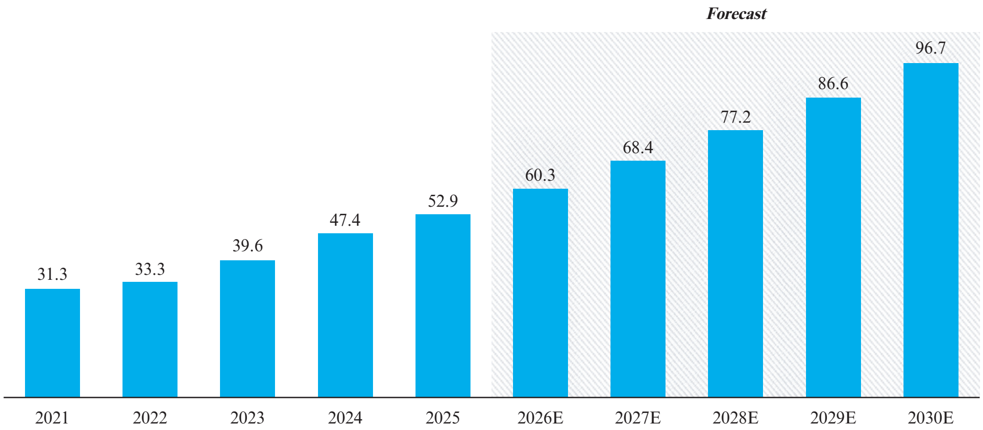
China's Visual Content Customization Services Market

Between 2021 and 2025, China's visual content customization services market climbed at a CAGR of approximately 14.0%, increasing from approximately RMB31.3 billion to approximately RMB52.9 billion, which expanded alongside the rapid development of digital media, brand marketing and content-driven communication. Enterprises increasingly rely on customized visual content for advertising, brand communication, product marketing and social media operations, as visual materials play an important role in capturing consumer attention and conveying brand identity across fragmented digital channels. The rise of e-commerce platforms, social media ecosystems and short-form video platforms has significantly increased the frequency and diversity of visual content usage, leading enterprises to require a continuous supply of differentiated and high-quality visual materials tailored to specific campaigns and scenarios. At the same time, news media and digital content platforms are producing a growing volume of editorial content, including news coverage, feature reporting and thematic storytelling, which often requires professionally produced visual content that reflects specific events, locations and subjects. In many such applications, customized visual production is preferred over standardized stock materials in order to ensure relevance, authenticity and creative differentiation. As a result, demand for professional visual content customization services has continued to increase, particularly in enterprise and institutional use cases, which is forecasted to reach approximately RMB96.7 billion by 2030.

Visual Content Customization Services Market, China

RMB Billion; 2021–2030E

CAGR	2021–2025	2025–2030E
Visual Content Customization Services Market, China	14.0%	12.8%



Notes:

(1) The market size refers to the aggregated revenues generated by visual content service providers from providing visual content customization services to individuals and enterprises.

(2) Totals may not equal the sum of individual categories due to rounding.

Source: Frost & Sullivan Analysis and Estimates, National Bureau of Statistics of China, China Economic Information Service, Expert Interviews

COMPETITIVE LANDSCAPE OVERVIEW

Ranking of Leading Global Visual Content Licensing Service Providers

The global visual content licensing services market is relatively concentrated. Leading market participants typically benefit from large-scale and diversified content libraries, broad geographic coverage, established licensing infrastructure, advanced search and long-standing relationships with media, advertising, corporate and creative customers. These structural advantages enable leading platforms to serve a wide range of use cases across regions and customer segments, creating barriers in content sourcing, rights management and distribution. Global visual content licensing service providers primarily compete on content quality, breadth of editorial and creative coverage, search and workflow efficiency, pricing models, licensing flexibility and integration with creative production tools.

In 2025, the revenue from visual content licensing services of the top five global visual content licensing service providers reached approximately USD2,581.8 million, representing approximately 23.0% of the total market. Among these, Our Company ranked fifth, with revenue from visual content licensing services of approximately USD76.8 million, accounting for approximately 0.7% of the total market.

The table below presents the top five global visual content licensing service providers by revenue from visual content licensing services in 2025:

Ranking of Leading Visual Content Licensing Service Providers, Global, 2025

by Revenue from Visual Content Licensing Services, USD Million[1]

Ranking	Company	Revenue from Visual Content Licensing Services[2]	Market Share[3]
1	Company A[4]	925.0	8.2%
2	Company B[5]	785.0	7.0%
3	Company C[6]	565.0	5.0%
4	Company D[7]	230.0	2.0%
5	**Our Company**	**76.8**	**0.7%**
Top 5	**N/A**	**2,581.8**	**23.0%**

Notes:

(1) Currency translation: RMB into USD at the rate of USD1.00 to RMB6.8157

(2) Revenue from visual content licensing services refers to revenue generated from the licensing of standardized visual content, including images, illustrations, vectors, editorial images, video footage and other visual assets, to customers under licensing or subscription arrangements.

(3) Denominator of the percentage is the market size of global visual content licensing services in 2025 which is approximately USD11,230.8 million.

(4) Company A, founded in 1995, is a global visual content licensing service provider. It operates a large-scale visual content platform covering creative and editorial images, video footage and other visual assets, serving media, advertising, corporate and creative customers worldwide.

(5) Company B, whose online marketplace was launched in 2003, is a global content marketplace. It provides licensing services for stock images, videos, illustrations and other creative content to businesses, media organizations, marketing agencies and individual creators globally.

(6) Company C, founded in 1982, is a United States-based listed technology and creative software company. Its stock content marketplace business is integrated with its creative software ecosystem and provides stock photos, videos, vectors, illustrations, templates and other visual assets to creative professionals and enterprise customers worldwide.

(7) Company D, founded in 2016, is a creative technology and digital assets platform. It provides subscription-based access to creative assets, including stock footage, video templates, visual effects and other digital visual content, serving creators, production teams and business customers globally.

Ranking of Leading Visual Content Licensing Service Providers in China

In 2025, the revenue from visual content licensing services of the top five visual content licensing service providers in China reached approximately RMB748.7 million, representing approximately 11.8% of the total market. Among these, our Company ranked first, with revenue from visual content licensing services of approximately RMB523.7 million, accounting for approximately 8.2% of the total market, which made it a clear leading visual content licensing service provider in China. Its market share was approximately 2.3 times the aggregate market share of the other four service providers among the top five.

The table below presents the top five visual content licensing service providers in China by revenue from visual content licensing services in 2025:

Ranking of Leading Visual Content Licensing Service Providers, China, 2025

by Revenue from Visual Content Licensing Services, RMB Million

Ranking	Company	Revenue from Visual Content Licensing Services(8)	Market Share(9)
1	**Our Company**	**523.7**	**8.2%**
2	Company E(10)	90.0	1.4%
3	Company F(11)	50.0	0.8%
4	Company G(12)	45.0	0.7%
5	Company H(13)	40.0	0.6%
Top 5	**N/A**	**748.7**	**11.8%**

Notes:

(8) Revenue from Visual Content Licensing Services refers to revenue generated from the licensing of standardized visual content, including images, illustrations, vectors, editorial images, video footage and other visual assets, to customers under licensing or subscription arrangements.

(9) Denominator of the percentage is the market size of Visual Content Licensing Services in China in 2025 which is RMB6.4 billion.

(10) Company E is a Shanghai-based visual content service provider, mainly providing visual content licensing and related services.

(11) Company F is a Beijing-based news media content service provider, mainly providing visual content licensing, content customization and related services.

(12) Company G is a Beijing-based visual content service provider, mainly providing visual content licensing and related services.

(13) Company H is a Beijing-based visual content service provider, mainly providing visual content licensing and related services.

Growth Drivers of China's Visual Content Services Market

- ***Structural Growth in Enterprise Demand for Visual Communication***

The rapid expansion of advertising, e-commerce, social media and brand communication in China has structurally increased enterprise demand for professional visual content. As digital channels become the primary interface between brands and consumers, visual materials such as images, videos and design assets have evolved from supplementary marketing elements into core communication infrastructure. Enterprises increasingly require high-frequency, scalable and compliant visual content to support advertising campaigns, product merchandising, live streaming, social media engagement and internal communication. This shift transforms visual content from project-based expenditure into recurring operational demand, creating a stable and expanding customer base for standardized licensing, customized production and related value-added services. The broadening of enterprise application scenarios extends the industry beyond traditional media usage into retail, technology, finance, manufacturing and public sector communication, supporting long-term structural growth.

- ***Strengthening Copyright Governance and Compliance Demand***

Strengthening intellectual property awareness and regulatory enforcement is accelerating the professionalization of visual content procurement. Enterprises increasingly face legal, reputational and compliance risks associated with unauthorized content usage, driving demand toward licensed, traceable and commercially compliant visual materials. As copyright enforcement becomes more systematic and cross-platform monitoring improves, informal sourcing of visual assets is gradually replaced by structured procurement through authorized platforms and service providers. This shift benefits professional visual content service providers with established licensing frameworks, content review systems and legal compliance infrastructure. In addition, multinational corporations and large domestic enterprises impose stricter procurement standards, further raising entry barriers and consolidating demand within compliant ecosystems. The growing importance of copyright governance transforms compliance from a cost factor into a competitive advantage, supporting industry concentration and long-term market expansion.

- ***Technology-enabled Efficiency Improvement in Content Creation, Management and Delivery***

Technology-enabled workflow upgrades, particularly AI-assisted tools, are improving the efficiency and scalability of China's visual content services market. As enterprises increasingly use visual content across advertising, e-commerce, social media and corporate communications, they require faster production, more efficient asset management and reliable access to rights-cleared content. In content creation, AI-assisted editing, automated format adaptation, template-based production and project workflow systems help streamline repetitive tasks and improve coordination among clients, creators and production teams. In content management and delivery, image recognition, metadata tagging, semantic search, compliance review tools, online licensing processes and digital workflow systems enhance content retrieval, rights verification, procurement and multi-channel deployment. These technologies do not replace professional creation, copyright management or service delivery capabilities, but improve process efficiency and scalability. As a result, service providers with integrated capabilities in content assets, production resources, workflow tools and compliance controls are better positioned to meet recurring customer demand.

- ***Global Expansion of Chinese Visual Content and Cultural Export***

The globalization of Chinese brands, digital platforms and cultural industries is expanding international demand for China-origin visual content. As Chinese enterprises accelerate overseas market entry across e-commerce, technology, entertainment and consumer goods sectors, the needs for localized yet culturally authentic visual materials increase. Visual content serves as a critical bridge for cross-border communication, enabling brands to present identity, storytelling and product value in diverse markets. At the same time, the international distribution of Chinese media, film, online content and cultural IP is driving demand for professionally licensed visual assets that meet global compliance and commercial standards. The export of Chinese cultural symbols, lifestyle aesthetics and creative formats further broadens the application scenarios for visual services. This outward expansion transforms the domestic visual content industry into a participant in global creative supply chains, enlarging the addressable market and creating structural growth opportunities beyond China's local demand base.

Entry Barriers of China's Visual Content Services Market

- ***Barriers in Large-scale Content Asset Accumulation***

The accumulation of large-scale, high-quality and commercially licensed visual content assets represents a fundamental entry barrier in the visual content services market. Building a competitive content library requires long-term investment in creator relationships, acquisition of licensed materials, copyright verification and continuous curation. Unlike technology products that can be rapidly replicated, content assets compound over time and derive value from historical depth, diversity and metadata richness. New entrants face significant time and capital constraints in assembling comparable libraries, especially under increasingly strict copyright governance.

Moreover, enterprise customers prefer platforms with proven depth and breadth of content supply to ensure continuity and reliability. This asset-based barrier creates strong incumbency advantages and reinforces market concentration.

- ***Barriers in Creator Ecosystem Development and Retention***

A stable and scalable creator ecosystem forms a structural barrier that is difficult for new entrants to replicate. Visual content platforms depend on long-term trust relationships with photographers, videographers, designers and institutional content partners. Successful platforms provide monetization channels, copyright protection, data analytics and global distribution that incentivize creators to remain within the ecosystem. Once established, network effects strengthen supply-side loyalty, as creators benefit from audience reach and recurring income streams. Attracting high-quality creators requires not only financial incentives but also platform credibility and operational infrastructure. New entrants must overcome switching costs, reputation gaps and ecosystem inertia, making rapid expansion of creator networks operationally challenging.

- ***Barriers in Enterprise Service Capability and Client Integration***

Enterprise customers require consistent delivery, legal compliance, workflow integration and scalable service support, creating high operational barriers for new entrants. Visual content procurement is increasingly embedded into corporate marketing systems, brand governance processes and digital asset management workflows. Once integrated, switching providers involves operational disruption, retraining and compliance reassessment. Leading platforms differentiate themselves through service stability, customization capabilities and enterprise-grade support infrastructure. New entrants often lack the experience, systems and organizational scale necessary to handle large-volume enterprise demand across multiple industries. These integration and service barriers create high client retention and long customer lifecycles, favoring established providers with proven enterprise track records.

- ***Barriers in AI-enabled Service Capabilities***

For visual content service providers, AI-enabled capabilities have become an important barrier not because AI tools themselves are scarce, but because their commercial value depends on deep integration with content assets, rights information, customer demand and service workflows. In visual content licensing services, AI can enhance content understanding, semantic search, automated tagging, similarity matching and recommendation, improving the efficiency of matching suitable and rights-cleared content with customer needs. In visual content customization services, AI-assisted tools can support project coordination, editing and delivery review, helping improve execution efficiency and service consistency. Such capabilities are built on accumulated content metadata, licensing records, rights review rules, customer behaviour data and service experience. While new entrants may adopt general-purpose AI tools, replicating the proprietary data assets, workflow know-how and feedback mechanisms of established platforms remains challenging. As a result, service providers with integrated AI-enabled capabilities are better positioned to deliver scalable, efficient and reliable visual content services.

Future Trends of China's Visual Content Services Market

- ***Diversification of Visual Content Formats and Multidimensional Asset Demand***

Future growth of the visual content services market is expected to be driven by the diversification of visual asset formats and the rising demand for multimodal content. Enterprises increasingly require integrated combinations of images, short-form video, 3D assets, motion graphics and interactive visual elements to support omnichannel communication. As marketing, e-commerce and digital media environments become more immersive and dynamic, static imagery alone is insufficient to meet evolving creative needs. This shift encourages service providers to expand beyond traditional image libraries toward comprehensive multi-format asset ecosystems.

Platforms capable of aggregating and managing diverse visual media within unified licensing and workflow systems are likely to gain competitive advantage, as clients prioritize flexibility, consistency and cross-format compatibility in their visual strategies.

- ***Evolution toward Integrated Visual Content Service Ecosystems***

The visual content services market is expected to evolve from fragmented, transaction-based procurement toward integrated service ecosystems. Rather than sourcing isolated assets from multiple vendors, enterprises increasingly favor providers capable of delivering licensing, customization, asset management and intelligent production tools within a cohesive service environment. Ecosystem-based models enhance efficiency by aligning procurement, compliance control and creative workflows under unified governance. As organizations scale their digital communication activities, they prioritize long-term service partnerships that support continuity, interoperability and operational stability. This evolution shifts competition from individual content transactions toward ecosystem depth and service integration, encouraging providers to build comprehensive visual service networks that extend beyond traditional marketplace functions.

- ***Strengthening Rights Verification and Traceability Mechanisms in AI-assisted Workflows***

As AI-generated and AI-assisted content becomes more widely used in visual content sourcing, editing and production, rights verification, source traceability and usage governance are expected to become increasingly important industry requirements. The involvement of AI may increase the complexity of identifying content origins, distinguishing licensed, generated and modified assets, and confirming the permitted scope of commercial use. Accordingly, service providers are expected to enhance metadata management, authorisation records, similarity screening, source attribution and workflow documentation. Such mechanisms can improve the auditability and commercial reliability of visual assets, support clearer responsibility allocation among clients, creators and rights holders, and strengthen trust in AI-assisted visual content services.

- ***Expansion from Visual Content Assets to Data-driven Service Capabilities***

As AI adoption deepens across the visual content industry, the value of visual content service providers is expected to extend beyond the accumulation and commercialisation of content assets. In the course of content sourcing, licensing, customization and delivery, established service providers continuously accumulate structured data relating to visual assets, metadata, copyright ownership, authorisation records, usage scenarios, customer search behaviour, content performance and delivery feedback. Such data assets are expected to become an increasingly important foundation for horizontal service expansion. On the supply side, rights-cleared, well-labelled and scenario-specific visual datasets can support model training, evaluation and optimisation for AI model developers. On the demand side, enterprise customers are expected to place greater emphasis on platform-based management of their internal visual content assets, including content classification, retrieval, rights verification, reuse and compliance control. Compared with general technology platforms, visual content service providers have advantages in content governance, rights management, commercial scenario understanding and long-term usage data. As a result, leading providers are expected to evolve from content licensing and customization service providers into integrated content asset and data infrastructure partners.

OVERVIEW

This section provides an overview of the key laws and regulations that have a significant impact on our business.

LAWS AND REGULATIONS APPLICABLE TO OUR BUSINESS IN CHINA

Our business in China is governed by a comprehensive regulatory framework comprising numerous laws, regulations, and rules that govern various aspects of our operations. This section provides an overview of the key legal provisions applicable to our business in China.

LAWS AND REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS BUSINESSES

According to the Telecommunications Regulations of the People's Republic of China (《中華人民共和國電信條例》), which was most recently amended by the State Council on February 6, 2016, and took effect on the same day, operators of telecommunications businesses must obtain operating permits for telecommunications businesses issued by the Ministry of Industry and Information Technology (MIIT) as the supervisory department for the information industry under the State Council or the telecommunications administration authorities of provinces, autonomous regions and municipalities under the central government. Failure to do so may result in the competent authority ordering corrective action, issuing a warning, imposing a fine, or confiscating illegal gains. In serious cases, the operators' websites may be ordered to shut down. The Telecommunications Regulations classify all telecommunications businesses in China into basic telecommunications businesses and value-added telecommunications businesses. Value-added telecommunications businesses shall mean businesses that provide telecommunications and information services using public network infrastructure.

According to the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》), which was most recently revised by the State Council on December 6, 2024, and took effect on January 20, 2025, internet information services are divided into operational and non-operational categories; operational operators providing Internet content services must apply to the appropriate telecommunications regulatory authority for an Operating Permit for Value-Added Telecommunications Business for internet information services.

According to the Measures for the Administration of Operating Permit for Telecommunications Business (《電信業務經營許可管理辦法》), which was most recently revised by the MIIT on July 3, 2017, and became effective on September 1, 2017, these regulations further clarify the types of operating permits required to operate value-added telecommunications businesses, the qualifications for application, and related procedures, as well as provisions regarding the management and supervision of operating permits.

According to the Catalog of Telecommunications Businesses (《電信業務分類目錄》) most recently revised by the MIIT on June 6, 2019, and effective on the same day, online data processing and transaction processing services, as well as Internet-related information services, fall within the scope of value-added telecommunications businesses.

LAWS AND REGULATIONS RELATING TO INTERNET CULTURE BUSINESS OPERATIONS

According to the Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》), most recently revised by the Ministry of Culture (now abolished) on December 15, 2017, and effective on the same date, these provisions apply to entities engaged in activities related to Internet cultural products, which are defined as cultural products produced, disseminated, and circulated through the Internet, mainly including: (i) internet cultural products specially produced for the online publication, such as (but not limited to) online music entertainment, online games, online performance dramas (festivals), online performances, online artworks, and online animations and cartoons; and (ii) internet cultural products created for the Internet by using certain technical means to produce and reproduce online cultural products, such as music entertainment, games, performance dramas (festivals), performances, artworks, animations and cartoons. Pursuant to these regulations, any entity intending to engage in any of the following types of operational Internet cultural activities must apply for and obtain an Internet Culture Business License from the provincial-level cultural administrative department: (1) activities such as the production, reproduction, importation, distribution, or broadcasting of Internet culture products; (2) posting cultural products on the Internet, or transmitting them via information networks such as the Internet or mobile telecommunications networks to user terminals (including computers, landline telephones, mobile phones, televisions, or game consoles), as well as to Internet service business premises such as Internet cafes, for users to browse, view, use, or download such products; or (3) exhibitions or competitions involving online cultural products.

According to the Measures for the Self-Review of Content by Internet Culture Business Entities (《網絡文化經營單位內容自審管理辦法》), promulgated by the Ministry of Culture (now abolished) on August 12, 2013, and effective on December 1, 2013, internet culture business entities are required to conduct a prior review of their content before providing products and services to the public.

LAWS AND REGULATIONS RELATING TO ARTIFICIAL INTELLIGENCE

According to the Administrative Provisions on Algorithm Recommendation for Internet Information Services(《互聯網信息服務算法推薦管理規定》) issued by the Cyberspace Administration of China (hereinafter referred to as the CAC) and three other departments on December 31, 2021, and effective on March 1, 2022, these regulations apply to enterprises (algorithm-based recommendation service providers) that use algorithm-based recommendation technologies — such as content generation and synthesis, personalized push notifications, ranking and curation, search and filtering, and scheduling and decision-making — to provide internet information services to users. Under these regulations, algorithm recommendation service providers must assume primary responsibility for algorithm security, regularly reviewing, evaluating, and verifying the mechanisms, models, data, and application results of their algorithms. They must not design algorithm models that induce user addiction, excessive consumption, or otherwise violate laws, regulations, or ethical standards, strengthening information security management. Algorithm recommendation service providers must protect user rights and interests by offering users options that are not tailored to their personal characteristics, or by providing users with convenient options to disable algorithm recommendation services. When providing services to minors, they shall fulfill their legal obligations regarding the protection of minors online. Algorithm-based recommendation service providers shall establish convenient and effective channels for user appeals, public complaints, and reports; clarify processing procedures and response timelines; and promptly accept, process, and provide feedback on the results. Algorithm-based recommendation service providers with public opinion influence or the capacity for social mobilization shall, within ten working days from the date of service provision, complete filing procedures through the Internet Information Service Algorithm Filing System and conduct security assessments in accordance with relevant national regulations.

Pursuant to the Provisions on Administration of Deep Synthesis of Internet-based Information Services(《互聯網信息服務深度合成管理規定》), issued by the CAC and two other departments on November 25, 2022, and effective on January 10, 2023, these regulations establish obligations for service providers, technology supporters, and users of deep synthesis technology internet information. These obligations include authenticating a users' identity, implementing data security and personal information protection measures, strengthening the management of deep synthesis content, and labeling information generated or edited by using deep synthesis technology. Providers of deep synthesis services with public opinion influence or the capacity for social mobilization shall fulfill the procedures for filing, amending, and canceling the filing of deep synthesis service algorithms in accordance with the Administrative Provisions on Algorithm Recommendation for Internet Information Services(《互聯網信息服務算法推薦管理規定》). Technology supporters of deep synthesis services shall fulfill the filing, amendment, and cancellation procedures in accordance with these regulations. When providers of deep synthesis services develop and launch new products, applications, or features with public opinion influence or the capacity for social mobilization, they shall conduct security assessments in accordance with relevant national regulations.

According to the Interim Administrative Measures for Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "**AIGC Administration Measures**"), issued by the CAC and six other departments on July 10, 2023, and effective on August 15, 2023. As defined in the AIGC Administration Measures, AIGC technology refers to models and related technologies capable of generating content such as text, images, audio, and video; A provider of AIGC services refers to an organization or individual that utilizes generative AI technology to provide generative AI services (including through the provision of programmable interfaces or other means). Regarding the scope of application, AIGC Administration Measures stipulate that services utilizing generative AI technology to provide generated text, images, audio, video, and other content to the public within China are subject to these Measures. Where the state has separate provisions regarding the use of generative AI services in activities such as news publishing, film and television production, and literary and artistic creation, such provisions shall prevail. Regarding governance mechanisms, AIGC Administration Measures clarify that providers of AIGC services shall conduct training data processing activities, such as pre-training and fine-tuning, in accordance with the law and shall comply with the following provisions: (i) using data and foundational models from legitimate sources; (ii) as for intellectual property rights, they must not infringe upon the intellectual property rights lawfully enjoyed by others; (iii) as for personal information, they must obtain the individual's consent or comply with other circumstances prescribed by laws and administrative regulations; (iv) during the research and development of generative AI technology, they must establish annotation rules, conduct quality assessments of data annotation, and provide training to annotation personnel.

With regard to the regulations on generative AI services, AIGC Management Measures require providers of generative AI services to take effective measures to prevent minor users from becoming overly reliant on or addicted to such services; to assume the responsibilities of a personal information processor in accordance with the law; to fulfill their legal obligations to protect the input information and usage records of users of generative AI services; and to promptly accept and process requests from individuals regarding the access, copying, correction, supplementation, or deletion of their personal information; in accordance with the Provisions on Administration of Deep Synthesis of Internet-based Information Services(《互聯網信息服務深度合成管理規定》), providers of deep synthesis services must label generated content such as images and videos; upon discovering illegal or harmful content, they shall promptly take remedial measures such as ceasing generation, halting transmission, and removal, and implement corrective actions such as optimizing model training; if users are found to be using generative AI services to engage in illegal activities such as the production, reproduction, publication, or dissemination of false information, such providers shall take relevant remedial measures in accordance with the law and contractual agreements, preserve relevant records, and report such incidents to the cyberspace administration and relevant competent authorities; and establish and improve complaint and reporting mechanisms.

Pursuant to the Measures for Labeling of AI-Generated and Synthetic Content (《人工智能生成合成內容標識辦法》) (the "**Labeling Measures**"), issued by the CAC and three other departments on March 7, 2025, and effective on September 1, 2025, Labeling Measures stipulate that it applies to online information service providers engaging in the labeling of AI-generated and synthetic content that falls under the circumstances specified in the Administrative Provisions on Algorithm Recommendation for Internet Information Services, the Provisions on Administration of Deep Synthesis of Internet-based Information Services, and the AIGC Management Measures. The Labeling Measures explicitly require service providers to add explicit labels to generated and synthetic content, including text, audio, images, videos, and virtual scenes. When providing functions such as downloading, copying, or exporting generated and synthetic content, service providers must ensure that the files contain explicit labels that meet the requirements. Service providers must also add implicit labels to the metadata of generated and synthetic content files; these implicit labels must include production element information such as the attributes of the generated and synthetic content, the service provider's name or code, and the content identification number; they must clearly specify the methods, styles, and other standards for labeling generated and synthetic content in user service agreements, and prompt users to carefully read and understand the relevant labeling management requirements. The Labeling Measures propose that when users actively request content without explicit labels, website platforms may provide such content to users by clearly defining responsibilities and obligations in user agreements and retaining relevant log information for no less than six months in accordance with the law, provided they do not violate relevant laws and regulations. Furthermore, during subsequent use, users must comply with the relevant requirements of the Labeling Measures, and may only publish and disseminate such content to the public after proactively declaring that it is generated and synthetic and adding the explicit label. Additionally, no organization or individual may maliciously delete, tamper with, forge, or conceal the generated and synthetic content labels specified in the Labeling Measures; nor may they provide tools or services to others for the purpose of committing such malicious acts; nor may they use improper labeling methods to infringe upon the lawful rights and interests of others.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

Pursuant to the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》), promulgated by the Standing Committee of the National People's Congress on July 1, 2015, and effective on the same date, the State safeguards its sovereignty, security, and development interests in the cyberspace. The State is also required to establish the rules and mechanisms for national security review and supervision to review (among other things) foreign investment, key technologies, network information technology products and services, and other major matters and activities that may affect China's national security.

Pursuant to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), as most recently amended by the Standing Committee of the National People's Congress on October 28, 2025, and effective on January 1, 2026, the construction and operation of networks and the provision of network-based services shall be completed in accordance with the provisions of laws and administrative regulations and compulsory national standards. Technical measures and other necessary measures shall be taken in order to ensure cybersecurity and operational stability, provide an effective response to cybersecurity incidents, prevent cybercrimes, and maintain the integrity, confidentiality and availability of online data. Network products and services shall comply with the mandatory requirements of relevant national standards.

The Measures for Cybersecurity Review (《網絡安全審查辦法》), which was jointly revised by the CAC and 12 other Chinese regulatory authorities, promulgated on December 28, 2021, and effective on February 15, 2022, stipulates that (including, but not limited to), (i) operators of critical information infrastructure that procure network products and services, and operators of online platforms that conduct data processing activities, which affect or may affect national security, shall undergo a cybersecurity review by the Cybersecurity Review Office; the Cybersecurity Review Office under the CAC is the department responsible for organizing cybersecurity reviews; (ii) operators of online platforms holding personal information of more than 1 million users must apply to the Cybersecurity Review Office for a cybersecurity review when seeking a listing overseas; and (iii) if relevant regulatory authorities determine that an enterprise's network products, services, or data processing activities affect or may affect national security, such authorities may proactively initiate a cybersecurity review.

Pursuant to the Amendment IX to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》), promulgated by the Standing Committee of the National People's Congress on August 29, 2015, and effective on November 1, 2015, if an internet service provider fails to fulfill its information network security management obligations as prescribed by laws and administrative regulations, and refuses to rectify the situation after being ordered to do so by regulatory authorities, criminal liability shall be pursued in accordance with the law in cases of serious circumstances.

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and effective on September 1, 2021, an organization or individual shall collect data by lawful and proper means, and shall not acquire data by theft or in other illegal manners. When providing services, data transaction intermediaries shall require data providers to specify the sources of the data, verify the identities of both parties to the transactions, and retain the verification and transaction records. Where laws or administrative regulations require that administrative permissions be acquired for providing services related to data processing, service providers shall obtain such administrative permissions in accordance with these provisions.

Pursuant to the Regulations on Network Data Security Management (《網絡數據安全管理條例》), promulgated by the State Council on September 24, 2024, and effective on January 1, 2025, network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, strengthen network data security protection on the basis of the cybersecurity grading protection system, establish and improve network data security management systems, and adopt technical measures or other necessary measures to protect network data and prevent criminal activities targeting or exploiting network data. The Regulations on Network Data Security Management also stipulate requirements for data processing activities conducted over the internet, including but not limited to the formulation of personal information processing rules, general requirements for the processing of personal information, and the accepting of requests from individuals regarding their personal information. Network data processors shall designate a network data security officer, and establish a network data security management body that shall fulfill its responsibilities for network data security protection. Where a network data processor's merger, division, dissolution, bankruptcy, or other circumstances may affect the security of important data, it shall take measures to ensure network data security and report to the relevant competent authorities.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was most recently amended by the Standing Committee of the National People's Congress on November 11, 2020, and became effective on June 1, 2021, along with its relevant implementing regulations, works of Chinese citizens, legal entities, or unincorporated organizations, whether published or not, are to enjoy copyright in accordance with this Law. Works, as used in this law refers to intellectual achievements in areas such as literature, arts, and sciences, that have originality, which can be fixed in certain forms, including but not limited to written works, oral works, and computer software. The copyright holder of a protected work enjoys personal and property rights, including the right of publication, the right of attribution, the right of alteration, the right of integrity, the right of reproduction, the right of distribution, the right to lease, the right of exhibition, the right of performance, the right of projection, broadcasting rights, the right of information network transmission, the right of production, the right of adaptation, the right of translation, the right of compilation, and other rights.

According to the Regulations on Protection of the Right of Communication through Information Network (《信息網絡傳播權保護條例》), which was most recently revised by the State Council on January 30, 2013, and took effect on March 1, 2013, a network service provider shall bear liability under various circumstances, including where they know or ought to know that online copyright infringement has occurred but fail to take measures to remove or suspend or disconnect the links to the relevant content, or where, although they are unaware of the infringement, they fail to take such measures after receiving a notice of infringement from the copyright owner. Under certain circumstances prescribed by law, a network service provider bears no liability for compensation.

According to the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Civil Disputes Involving Infringement of the Right of Communication through Information Network (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》), which were most recently revised by the Supreme People's Court on December 29, 2020, and took effect on January 1, 2021, if internet users or internet service providers, without authorization, provide works, performances, or audio-visual recordings for which the rights holder holds the right of communication through information network through information networks, such acts may constitute an infringement of the right of communication through information network.

Pursuant to the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on January 30, 2013, and effective on March 1, 2013, as well as the Measures for the Registration of Computer Software Copyright in Computer Software (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on February 20, 2002, and became effective on February 20, 2002, the National Copyright Administration is responsible for administering the registration of software copyright nationwide and has designated the China Copyright Protection Center as the software registration authority. The China Copyright Protection Center shall, in accordance with the law, issue a registration certificate to applicants for computer software copyright who meet the requirements and make such registrations public.

Patents

Pursuant to the Patent Law of the People's Republic of China (《中華人民共和國專利法》), which was most recently amended by the Standing Committee of the National People's Congress on October 17, 2020, and came into effect on June 1, 2021, along with its implementing regulations, patents are classified into invention patents, utility model patents, and design patents. The duration of patent rights for inventions is 20 years, for utility models is 10 years, and for designs is 15 years, all counted from the date of filing.

Trademarks

Pursuant to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on April 23, 2019, and came into effect on November 1, 2019, the term of validity of a registered trademark is ten years, and the trademark owner may apply for renewal, with each renewal being valid for ten years. The trademark office of the administrative department for industry and commerce under the State Council shall be in charge of the work of trademark registration. Where a trademark, for the registration of which an application is made, that is identical with or similar to the trademark already registered by another person or is given preliminary examination and approval for use on the same kind of goods or similar goods, the trademark office shall reject the application.

Domain Names

Pursuant to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017, and effective on November 1, 2017, the Ministry of Industry and Information Technology is the primary regulatory authority for domain name services nationwide. Domain name registration services generally follow the first-come, first-served principle, unless otherwise specified. Applicants for domain name registration shall provide the domain name registration service provider with true, accurate, and complete identity information of the domain name holder and other domain name registration information for the purpose of registration, and must verify the authenticity and completeness of the registration data. Upon completion of the domain name registration, the applicant will become the holder of the registered domain name.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the People's Republic of China (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress on December 29, 2023, and became effective on July 1, 2024, regulates the establishment, operation, and management of companies within China (including foreign-invested enterprises). Unless otherwise provided for in the Foreign Investment Law, foreign-invested enterprises shall comply with the Company Law of the People's Republic of China.

Pursuant to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) and its implementing regulations, which were promulgated by the Standing Committee of the National People's Congress on March 15, 2019, and became effective on January 1, 2020, as well as the Measures for the Reporting of Foreign Investment Information, which was promulgated by the Ministry of Commerce and the State Administration for Market Regulation on December 30, 2019, and became effective on January 1, 2020, the State Council establishes a system for foreign investment information reporting. Foreign investors or foreign-invested enterprises shall submit investment information to the relevant competent commerce departments through the enterprise registration system and the enterprise credit information publicity system. The content and scope of the foreign investment information report shall be determined in accordance with the principle of necessity; the investment information that can be obtained through the inter-department information sharing system shall not be required to be submitted again. For foreign-invested enterprises (including those with multi-tiered investments) that invest in and establish enterprises in China, after completing registration and filing with the market regulation authorities and submitting annual report information, the relevant information shall be forwarded by the market regulation authorities to the commerce administrative departments; such enterprises are not required to submit the information separately.

Foreign investment in China must comply with the Catalogue of Industries for Encouraging Foreign Investment (2025), which was most recently revised by the National Development and Reform Commission ("**NDRC**") and the Ministry of Commerce on December 15, 2025, and took effect on February 1, 2026, the Special Administrative Measures for Foreign Investment Access (Negative List) (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which was jointly promulgated by the NDRC and the Ministry of Commerce on September 6, 2024, and took effect on November 1, 2024, and the Negative List for Market Access (2025) (《市場准入負面清單(2025年版)》), which was jointly promulgated by the NDRC the Ministry of Commerce, and the State Administration for Market Regulation on April 16, 2025, and took effect on the same date. Pursuant to the Negative List, foreign investors are prohibited from investing in industries listed as prohibited in the Negative List, while foreign investment in restricted industries must meet specific conditions set forth in the Negative List. Industries not listed in the Negative List or the Negative List for Market Access are, in principle, deemed open to foreign investment.

Pursuant to the Negative List and the Administrative Provisions on Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) which was most recently revised by the State Council on March 29, 2022, and took effect on May 1, 2022, as for the value-added telecommunications services which were opened up in accordance with China's WTO accession commitments, the shareholding percentage of the foreign investors shall be no more than 50%, with the exception of services such as e-commerce, domestic multi-party communications, data collection and transmission, and call centers.

Pursuant to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), promulgated by the National Development and Reform Commission and the Ministry of Commerce on December 19, 2020, and effective on January 18, 2021, foreign investment that affects or may affect national security shall be subject to security review under these Measures. Foreign investors or the relevant parties in China shall proactively report any foreign investment to the Office of the Working Mechanism before making the investment in involving national security, such as critical infrastructure, important cultural products and services, critical information technology and internet products and services, and other critical fields and acquisition of actual control of the enterprise invested.

Pursuant to the Measures for the Administration of Overseas (《境外投資管理辦法》) Investment promulgated by the Ministry of Commerce on September 6, 2014, and effective on October 6, 2014, and the Measures for the Administration of Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission on December 26, 2017, and effective on March 1, 2018, Overseas investment refers to investment activities in which domestic enterprises, either directly or through overseas enterprises under their control, acquire ownership, control, management rights, or other related interests in overseas entities through means such as injecting assets, equity, providing financing, or offering guarantees. The scope of approval and management by the National Development and Reform Commission covers sensitive projects implemented by the investing entity either directly or through overseas enterprises under its control. The Ministry of Commerce and provincial-level commerce departments are responsible for the administrative management and supervision of overseas investment. Depending on the specific circumstances of an enterprise's overseas investment, either filing or approval procedures are implemented. Overseas investments involving sensitive countries, regions, or industries must be approved by the NDRC; all other overseas investments are subject to filing procedures. The Ministry of Commerce and provincial-level commerce departments manage enterprises' overseas investments through the overseas investment management system and issue the Enterprise Overseas Investment Certificate to enterprises that have completed the filing or approval process.

LAWS AND REGULATIONS RELATING TO LEASES

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》), promulgated by the National People's Congress of the People's Republic of China on May 28, 2020, and effective on January 1, 2021, the owner of immovable or movable property is entitled by law to the rights of possession, use, benefits, and disposal of such property. A lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee. Where a lessee subleases the leased object without the consent of the lessor, the lessor may rescind the contract. Furthermore, a change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract does not affect the validity of the lease contract.

Pursuant to the Law of the People's Republic of China on the Administration of the Urban Real Estate (《中華人民共和國城市房地產管理法》), promulgated by the Standing Committee of the National People's Congress on August 26, 2019, and effective on January 1, 2020, in the lease of a house, the leaser and the leasee shall conclude a written lease contract defining such matters as the term, purpose and price of the lease, liability for repair, as well as other rights and obligations of both parties, and shall register the lease with the department of housing administration for the record.

LAWS AND REGULATIONS RELATING TO LABOR PROTECTION

Labor Contracts

In accordance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), as most recently amended by the Standing Committee of the National People's Congress on December 29, 2018 and effective, and the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), as most recently amended by the Standing Committee of the

National People's Congress on December 28, 2012, and effective on July 1, 2013, along with its implementing regulations, employing units shall establish and improve labor rules and regulations in accordance with the law, strictly comply with national standards, and provide relevant training to workers, to ensure that workers enjoy the labor rights and fulfill the labor obligations. To establish a labor relationship between the employing unit and the worker, a written labor contract shall be concluded. Labor contracts consist of fixed-term labor contracts, open-ended labor contracts and labor contracts that expire upon completion of given jobs. The employer shall pay laborers wages no lower than local standards on minimum wages. In addition, the employer shall establish and perfect its system for labor safety and sanitation, strictly abide by State rules and standards on labor safety and sanitation, educate workers in labor safety and sanitation, prevent accidents in the process of labor, and reduce occupational hazards.

Social Insurance

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), which was most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, and the Interim Regulations on the Collection and Payment of Social Insurance Contributions (《社會保險費征繳暫行條例》), which was most recently amended by the State Council on March 24, 2019, and came into effect on the same date, employers must pay social insurance contributions for their employees, including basic old-age insurance, basic medical insurance, unemployment insurance, maternity insurance, and work injury insurance. When an employer fails to pay on time and in full social insurance contributions, the social insurance contributions collecting agency shall compel the employer to pay or replenish the deficiency within the prescribed period. A late payment surcharge of 0.05% per day shall be imposed from the date the payment becomes overdue. If the employer still fails to make the payment after the specified deadline, the relevant administrative department may impose a fine ranging from one to three times the amount in arrears.

Housing Provident Fund

Pursuant to the Regulations on the Administration of the Housing Provident Fund (《住房公積金管理條例》), which was most recently amended by the State Council on March 24, 2019, and came into effect on the same date, employers are required to contribute to the housing provident fund on behalf of their employees. If a unit fails to make or underpays its housing provident fund contributions by the deadline, the Housing Provident Fund Management Center shall order it to make the deposit within a specified period. If the unit still fails to make the deposit after the deadline, the Center may apply to the People's Court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO TAX

Corporate Income Tax

Pursuant to the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, enterprises established within China in accordance with the law, or those established under the laws of a foreign country (or region) but with their actual place of management within China, shall be deemed resident enterprises. Resident enterprises shall pay a 25% corporate income tax on their income derived from both within and outside China. Preferential corporate income tax rates apply to any key industries or projects supported or encouraged by the state. High-tech enterprises receiving key state support are eligible for a reduced corporate income tax rate of 15%. According to the Measures for the Administration of Recognition of High-Tech Enterprises (《高新技術企業認定管理辦法》), as most recently amended by the Ministry of Science and Technology, the Ministry of Finance, and the State Taxation Administration on January 29, 2016, and effective on January 1, 2016, the High-Tech Enterprise Certificate is valid for three years.

Value-Added Tax

On December 25, 2024, the Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) (the "**VAT Law**"), which will take effect on January 1, 2026. Under the VAT Law, entities and individuals (including individual businesses) engaged in sale of goods, services, intangible assets and immovables and importation of goods within the territory of the People's Republic of China are VAT payers and shall pay VAT in accordance with this Law. Except for taxpayers exporting goods, domestic entities and individuals that sell services or intangible assets across borders within the scope specified by the State Council, and other circumstances prescribed by the State Council, taxpayers that sell goods, provide processing, repair and replacement services, tangible movables leasing services or import goods are subject to a tax rate of 13%. Except for the aforementioned circumstances, taxpayers that sell services or intangible assets are subject to a tax rate of 6%.

Pursuant to the Provisions on Transitional Policies for the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《營業稅改征增值稅試點過渡政策的規定》) of the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改征增值稅試點的通知》(財稅[2016]36號)) issued by the Ministry of Finance and the State Administration of Taxation on March 3, 2016, and effective on May 1, 2016, taxpayers are exempt from value-added tax for the provision of technology transfer, technology development, and related technical consulting and technical services.

LAWS AND REGULATIONS RELATING TO THE OVERSEAS ISSUANCE OF SECURITIES AND LISTINGS BY DOMESTIC ENTERPRISES

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (Revised in 2019) (《中華人民共和國證券法(2019年修訂)》), promulgated by the Standing Committee of the National People's Congress on December 28, 2019, and effective on March 1, 2020, activities in China's securities market are comprehensively regulated, including securities issuance and trading, acquisitions of listed companies, securities trading site, securities companies, and the responsibilities of securities regulatory authorities. The Law further stipulates that domestic enterprises issuing securities directly or indirectly overseas or listing securities overseas must comply with relevant provisions of the State Council; the specific measures for the shares of domestic companies subscribed and traded in foreign currencies shall be formulated separately by the State Council. The China Securities Regulatory Commission ("**CSRC**") is the securities regulatory body established by the State Council in accordance with the law, responsible for supervising and managing the securities market, maintaining market order, and ensuring the market operation in accordance with the law. Currently, the issuance and trading of H-shares are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC promulgated several regulations regarding the filing management of domestic enterprises issuing securities and listing overseas, including 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 "**Overseas Listing Trial Measures**"), which took effect on March 31, 2023, along with five supporting guidelines (collectively referred to as the Overseas Listing Regulations together with the Overseas Listing Trial Measures). Under the Overseas Listing Regulations, domestic Chinese enterprises wishing to conduct an initial public offering (IPO) and list on overseas markets, either directly or indirectly, must submit the required documents to the CSRC for filing within three business days of submitting their overseas listing application.

On February 24, 2023, the CSRC and three other relevant government departments jointly promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (the "**Confidentiality Provisions**"), which took effect on March 31, 2023. Pursuant to the Confidentiality Regulations, a domestic company that provides or publicly disclose to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. Working papers produced in the Chinese mainland by securities companies and securities service providers in the process of undertaking businesses related to overseas offering and listing by domestic companies shall be retained in the Chinese mainland. Where such documents need to be transferred or transmitted to outside the Chinese mainland, relevant approval procedures stipulated by national regulations shall be followed.

OTHER PROVISIONS — INFORMATION DISCLOSURE

Listed companies shall establish sound information management systems in accordance with the regulatory requirements of securities regulatory authorities, market practices, their own specific circumstances, and the basic requirements for information disclosure by listed companies, including the Measures for the Administration of Information Disclosure by Listed Companies (《上市公司信息披露管理辦法》) recently revised by the CSRC on March 26, 2025, and effective as of July 1, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history traces back to the establishment of Huaxia Group in 2005 and Huaxia Visual in 2006, through which we commenced our operation engaged in provision of content licensing services at the early stage. Since April 2014, our business has been listed on the Shenzhen Stock Exchange (stock code: 000681) through the Reverse Acquisition. See "— Corporate Development and Major Changes in Share Capital and Shareholdings — Reverse Acquisition and our A Shares Listing on Shenzhen Stock Exchange". As of the Latest Practicable Date, by virtue of the Concert Party Arrangements, the Single Largest Group of Shareholders, comprising Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, in aggregate was able to hold approximately 19.27% of our total issued share capital and control 19.29% of the voting rights attached to the A Shares carrying voting rights in our Company (excluding the 998,800 A Shares held by our Company as treasury Shares). See "Relationship with the Single Largest Group of Shareholders".

After years of development and transformation, we have become a leading provider of content licensing and customization services in China. Our services enable customers to efficiently access, create, manage and deploy licensed content across a wide range of application scenarios. Our development strategy is built around content assets, AI capabilities and application scenarios. We ranked first in China and fifth globally in the visual content licensing services market in terms of revenue in 2025, according to Frost & Sullivan.

Key Corporate and Business Development Milestones

The following table sets forth our Group's key corporate and business development milestones:-

Year	Milestone
2005/2006 .	We commenced business operations through establishment of Huaxia Group and Huaxia Visual.
2014	Through the Reverse Acquisition, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 000681) and renamed to Visual China Group Co., Ltd.
2016	We acquired the asset portfolio of Corbis, including its core image library, comprising over 50 million images and over 190,000 video assets, documenting significant global historical events to diversify our content resources.
2018	We acquired 500px Inc., a leading online community for photographers with millions of members worldwide to expand our global footprint and scale the creator network and ecosystem.
2023	We became the holding company of Chengdu Guangchang, a market leader in the domestic audio and video transaction industry, to expand our content resources and customer network.
2024	We made strategic investments in CGModel.com, a marketplace for 3D/CG model content, to expand our 3D content resources.
2025	We made strategic investments in MiniMax and Beijing Shengshu Technology Co., Ltd. to bolster AI capabilities and continuous improvement.
	We were elected as a standing council member of the Copyright Society of China.

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had 32 subsidiaries. The following sets forth information about our subsidiaries, which we consider are material to our operations and/or contributed significantly to our financial performance during the Track Record Period:

Name	Place of incorporation	Date of establishment	Approximate equity interest attributable to our Group	Principal business and activities
Huaxia Group	PRC	January 27, 2005	100%	Provision of content licensing and customization services
Yuandong Culture	PRC	April 6, 2006	100%	Investment holding
Huaxia Visual	PRC	August 28, 2006	100%	Provision of content licensing and customization services
500px Inc.	Canada	February 5, 2010	100%	Provision of content licensing, community membership services
Tianjin Hanhua Yimei	PRC	December 10, 2012	100%	Provision of content licensing and customization services
Visual China Group (Hong Kong)	Hong Kong	February 3, 2015	100%	Provision of content licensing services
Chengdu Guangchang	PRC	April 9, 2015	61.60%	Provision of content licensing services
Unity Glory	Hong Kong	September 4, 2015	100%	Investment holding
Hanhua Yimei	PRC	May 31, 2016	100%	Provision of content licensing and customization services
Elephant Visual	PRC	March 26, 2025	76.19%	Provision of content customization services and AI visual content technology

See "Appendix VI — Statutory and General Information — 1. Further Information about our Group — C. Changes in Share Capital of our Subsidiaries" for shareholding changes of our subsidiaries during the two years immediately preceding the date of this document.

CORPORATE DEVELOPMENT AND MAJOR CHANGES IN SHARE CAPITAL AND SHAREHOLDINGS

Our Early History

The history of the Group can be traced back to the establishment of Huaxia Group and Huaxia Visual by Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, our founders, in 2005 and 2006, respectively, each as a limited liability company under the laws of the PRC. Since their establishment and immediately prior to the completion of the Reverse Acquisition, both Huaxia Group and Huaxia Visual had been controlled by the Early AIC Group. Upon completion of the Reverse Acquisition, our Company became the holding company of Huaxia Group and Huaxia Visual. At the early stage, we primarily engaged in provision of content licensing services through the operation of Huaxia Group and Huaxia Visual.

Reverse Acquisition and our A Shares Listing on Shenzhen Stock Exchange

Established on May 23, 1985, Far East Industrial was listed on the Shenzhen Stock Exchange on January 21, 1997 (Stock Code: 000681), and was engaged in software development and related services. From August 2013 to January 2014, Far East Industrial entered into a framework agreement on the issuance of shares for the purchase of assets and supplement agreements (the "**Acquisition Agreements**") with the then 17 shareholders of Huaxia Group and Huaxia Visual

("**VCG Original Shareholders**"). Pursuant to the Acquisition Agreements, Far East Industrial issued 471,236,736 shares to the VCG Original Shareholders as consideration for the acquisition of 100% of the equity interests in Huaxia Group and Huaxia Visual. The transaction constituted a major asset restructuring and a reverse acquisition of Far East Industrial under the A-share listing rules. In February 2014, Far East Industrial received official regulatory approval from the CSRC, and the registration procedures for the change of industrial and commercial administration regarding the Reverse Acquisition were officially completed on March 4, 2014.

Upon the completion of the Reverse Acquisition, Far East Industrial held the entire equity interests in Huaxia Group and Huaxia Visual. Our business has been injected into Far East Industrial, and our A Shares are listed on the Shenzhen Stock Exchange.

The Company's share structure immediately before and after the completion of Reverse Acquisition is set out below:

Name of the shareholders	Before the Reverse Acquisition			After the Reverse Acquisition	
	Number of shares held	Shareholding percentage	Number of new shares issued	Number of shares held	Shareholding percentage
Wuhua Industrial Co., Ltd. (物華實業有限公司)	30,730,800	15.46%	—	30,730,800	4.59%
VCG Original Shareholders	—	—	471,236,736	471,236,736	70.33%
Others public shareholders	168,019,200	84.54%	—	168,019,200	25.08%
Total:	**198,750,000**	**100.00%**	**471,236,736**	**669,986,736**	**100.00%**

Note:

(1) The VCG Original Shareholders included Ms. Wu Yurui, Mr. Liao Daoxun, Mr. Chai Jijun, Chen Zhihua (陳智華), Wu Chunhong (吳春紅), Jiang Hailin (姜海林), Yuan Chuang (袁闖), Li Xueling (李學淩), Gao Wei (高瑋), Liang Shiping (梁世平), (collectively, the "**Early AIC Group**") and other seven individuals shareholders of Huaxia Group and Huaxia Visual, collectively as vendors in the Reverse Acquisitions. Upon completion of the Reverse Acquisition, the Early AIC Group became a group of controlling shareholders of our Company by virtue of the acting-in-concert arrangements pursuant to a concert party agreement entered in May 2013 (the "**2013 AIC Agreement**"). Pursuant to a series of supplement agreements to the 2013 AIC Agreement (collectively, the "**AIC Agreements**"), Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun have remained parties acting in concert in respect of their shareholding in our Company since March 2023, following the withdrawal of the other member of the Early AIC Group from the concert party arrangements.

On August 20, 2014, Far East Industrial was renamed Visual China Group Co., Ltd. (視覺(中國)文化發展股份有限公司) and the stock short name was changed to "視覺中國".

We considered that the Reverse Acquisition has advanced our capital strategy by enabling it to leverage the listed company platform, thereby continuously strengthening our industry dominance in the visual content licensing services market through the series of acquisitions and strategic investments.

Non-public Offering of the A Shares in July 2015

With a view to replenish our working capital, and pursuant to the approvals from our Shareholders in September 2014 and January 2015 and the CSRC in June 2015, our Company completed a non-public offering (the "**2015 A Share Non-public Offering**"). Under the 2015 A Share Non-public Offering, a total of 30,590,700 A Shares were issued to six investors, each of whom was an Independent Third Party. The 2015 A Share Non-public Offering raised net proceeds of approximately RMB568,299,677. As of the Latest Practicable Date, all of the net proceeds had been utilized.

Following the completion of the 2015 A Share Non-public Offering, the Company's total issued Shares increased from 669,986,736 A Shares to 700,577,436 A Shares.

CONCERT PARTY ARRANGEMENTS

Pursuant to the AIC Agreements, to maintain stability of control over our Company, Ms. Wu Yurui, Mr. Liao Daoxun, Mr. Chai Jijun agreed to act in concert in exercising the voting rights attached to their Shares held in the Company according to the Articles of Association and applicable law and regulations. Under such arrangement, the parties agreed to engage in prior communication in respect of matters to be considered at Shareholders' meetings. In the event that no consensus can be reached, Mr. Liao Daoxun's opinion should prevail, and Ms. Wu Yurui and Mr. Chai Jijun should exercise their corresponding voting rights in accordance with Mr. Liao Daoxun's decisions (the "**Concert Party Arrangements**"). The Concert Party Arrangements will remain effective until none of the parties holds, whether directly or indirectly, any Shares in our Company.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of 31.6% equity interest of Chengdu Guangchang

Chengdu Guangchang is a limited liability company established under the laws of the PRC on April 9, 2015, and is principally engaged in the provision of content licensing services. With a view to further expanding our business operation, achieving business alliance and enhancing our core competence, we acquired the controlling interest in Chengdu Guangchang in March 2023 (the "**Chengdu Guangchang Acquisition**").

In March 2023, Yuandong Culture entered into an investment agreement with Yang Da (楊達), Li Wei (李維), Chengdu Lunsuo Enterprise Management Center (Limited Partnership) (成都倫索企業管理中心(有限合夥)) ("**Chengdu Lunsuo**") and Chengdu Guangchang, pursuant to which Yuandong Culture acquired (i) 30% equity interest from Yang Da at a consideration of RMB90.0 million; and (ii) 1.6% equity interest from Chengdu Lunsuo at a consideration of RMB4.8 million. The consideration for the Chengdu Guangchang Acquisition was determined after arm's length negotiations between Yuandong Culture and the relevant shareholders of Chengdu Guangchang, taking into account the timing of the investments, the business operations and prospects of Chengdu Guangchang, and fully settled as of the Latest Practicable Date.

Upon completion of the Chengdu Guangchang Acquisition, our equity interest in Chengdu Guangchang increased from 30.00% to 61.60%, and Chengdu Guangchang became our consolidated subsidiary. As of the Latest Practicable Date, Chengdu Guangchang was owned as to approximately (i) 61.60% by Yuandong Culture; (ii) 25.60% by Yang Da; (iii) 8.00% by Li Wei; and (iv) 4.80% by Chengdu Lunsuo.

The Chengdu Guangchang Acquisition is considered as a major acquisition for the purpose of Rule 4.05A of the Listing Rules, as the highest applicable percentage ratios in relation to the Chengdu Guangchang Acquisition exceeds 25% by reference to the most recent audited financial year of the Track Record Period. See Note 33 of Appendix I to this document and "Financial Information — Pre-acquisition Financial Information of Chengdu Guangchang".

EMPLOYEE INCENTIVE SCHEMES

In order to enhance the corporate governance, drive our Company's performance growth and attract and retain management talents and key personnel, we adopted the 2023 Employee Stock Ownership Scheme. As the 2023 Employee Stock Ownership Scheme constitutes a share scheme involving the grant of existing Shares by the Company, and no new Shares will be issued or granted by the Company after the [REDACTED], the terms of the 2023 Employee Stock Ownership Scheme are not subject to Chapter 17 of the Listing Rules. For further details of the 2023 Employee Stock Ownership Scheme, see "Appendix VI — Statutory and General Information — 4. Share Incentive Scheme" in this document. Apart from the 2023 Employee Stock Ownership Scheme, our Company adopted two share incentive schemes, namely the 2021 share option incentive scheme and the 2023 restricted share incentive scheme, which had been expired or the Shares/options thereunder had been vested or forfeited as of the Latest Practicable Date.

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

Our A Shares have been listed on the Shenzhen Stock Exchange since April 2014. Our Directors have confirmed that during the Track Record Period and up to the Latest Practicable Date, the Company had no instance 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. Our PRC Legal Advisor is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on Shenzhen Stock Exchange in all material respects during the Track Record Period and up to the Latest Practicable Date. Based on the independent due diligence conducted by the Sole Sponsor and the PRC Legal Advisor's view above, no material matter 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 Shenzhen Stock Exchange in all material respects.

Our Company seeks to be [REDACTED] on the Stock Exchange in order to advance our global strategic expansion, facilitate the development of its overseas business, enhance its offshore financing capabilities and further strengthen its international brand image. See "Business — Our Strategies" and "Future Plans and Use of [REDACTED]."

[REDACTED] AND [REDACTED]

Satisfaction of the [REDACTED] 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 listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, 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 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 and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]).

Immediately following the completion of the [REDACTED] (assuming 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 the [REDACTED]), the Company will have [REDACTED] H Shares which are expected to be held in public hand, representing approximately [REDACTED]% of the total issued share capital of our Company (excluding the 998,800 A Shares held by our Company as treasury Shares), which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

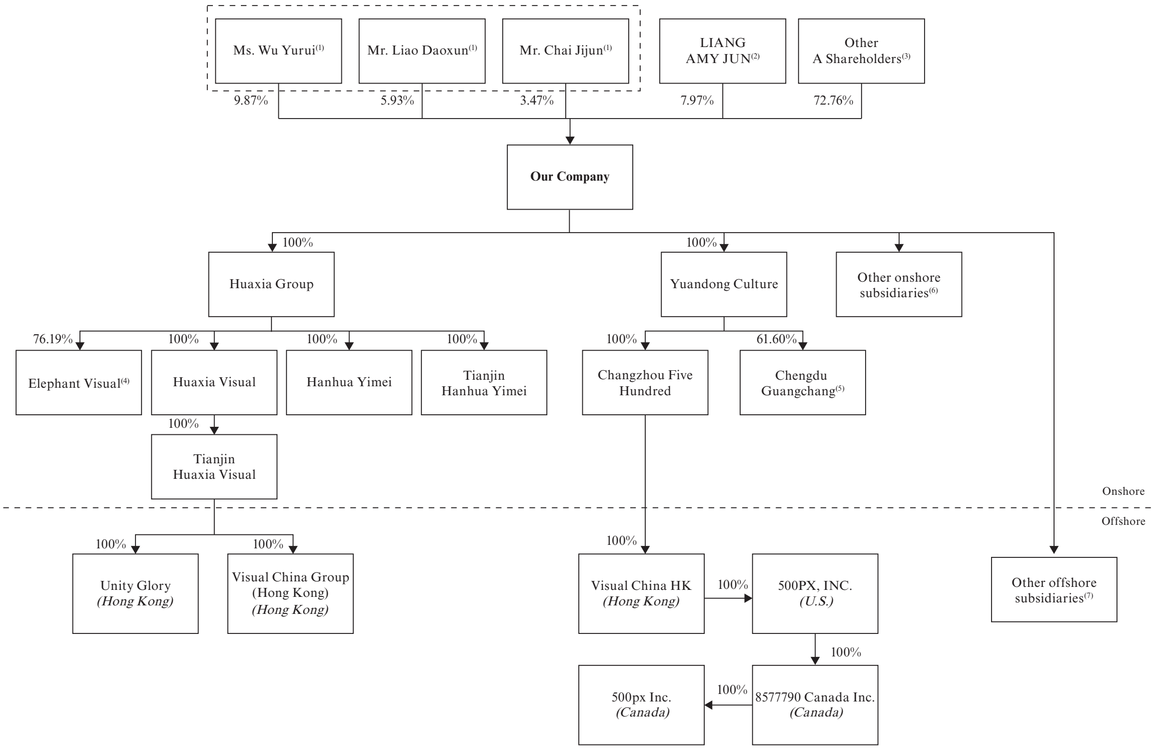
Satisfaction of the [REDACTED] Requirement

[REDACTED]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Corporate and shareholding structure immediately before the [REDACTED]

The following diagram illustrates a simplified corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED] (assuming that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]):



Notes:

(1) As of the Latest Practicable Date, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun directly and/or indirectly held approximately 9.87%, 5.93% and 3.47% of the total issued share capital of our Company, respectively. By virtue of the Concert Party Arrangements, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, in aggregate were able to hold approximately 19.27% of our total issued share capital and control 19.29% of the voting rights attached to the A Shares carrying voting rights in our Company (excluding the 998,800 A Shares held by our

Company as treasury Shares) as of the Latest Practicable Date. See "Relationship with Our Single Largest Group of Shareholders" for more details. As of the Latest Practicable Date, Mr. Chai Jijun was also interested in the 100,000 A Shares held by Ms. Wu Xiaoyan, the spouse of Mr. Chai Jijun.

(2) As of the Latest Practicable Date, LIANG AMY JUN was an Independent Third Party.

(3) To the best knowledge of our Directors, none of other A Shareholders held more than 5% interests in our Company as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, Elephant Visual was owned as to approximately: (i) 76.19% by Huaxia Group (a wholly owned subsidiary of our Company); (ii) 19.05% by Beijing Sansi Ceyuan Consulting Services Co., Ltd. (北京三思策源諮詢服務有限公司), which is owned as to 95% and 5% by Yin Ying (銀影) and Li Fangliang (李方亮), respectively; and (iii) 4.76% by Shenzhen Longgang District Guiding Fund Investment Co., Ltd. (深圳市龍崗區引導基金投資有限公司), which was ultimately wholly owned by Finance Bureau of Longgang District, Shenzhen (深圳市龍崗區財政局).

(5) As of the Latest Practicable Date, Chengdu Guangchang was owned as to approximately: (i) 61.60% by Yuandong Culture (a wholly owned subsidiary of our Company); (ii) 25.60% by Yang Da (楊達), a connected person at subsidiary level; (iii) 8.00% by Li Wei (李維), an Independent Third Party; and (iv) 4.80% by Chengdu Lunsuo Enterprise Management Center (Limited Partnership) (成都倫索企業管理中心(有限合夥)), which is owned as to approximately 50.87% by its general partner Yang Da, and none of its limited partners holds 30% or more of the partnership interests.

(6) Other onshore subsidiaries include:

(a) 11 directly or indirectly wholly owned subsidiaries; and

(b) Four non-wholly owned subsidiaries. Among the non-wholly owned onshore subsidiaries, as of the Latest Practicable Date,

(i) Visual Huahan (Shenzhen) Cultural Technology Co., Ltd. (視覺華瀚(深圳)文化科技有限公司) was owned as to: (i) 51% by our Company; and (ii) 49% by Shenzhen Huahan Zhongcheng Film and Television Media Co., Ltd. (深圳華瀚眾誠影視傳媒有限公司) ("**Shenzhen Huahan Zhongcheng**"). Shenzhen Huahan Zhongcheng was owned as to 55% by Shenzhen Hongbo Changrong Film and Television Culture Media Co., Ltd. (深圳宏博昌榮影視文化傳媒有限公司) ("**Shenzhen Hongbo Changrong**"), 18.5% by Shenzhen Xidu Chinese Education Technology and Culture Co., Ltd. (深圳喜讀語文教育科技文化有限公司) (an Independent Third Party) and 26.5% by four individual shareholders, each being an Independent Third Party. As of the Latest Practicable Date, Shenzhen Hongbo Changrong was owned as to approximately 64.50% by Li Jincheng (李金城) and 35.50% by three individual shareholders holding less than 30% interest therein, respectively, each being an Independent Third Party;

(ii) Changzhou Guangchang Creative Technology Co., Ltd. (常州光廠創意科技有限公司) was a wholly-owned subsidiary of Chengdu Guangchang;

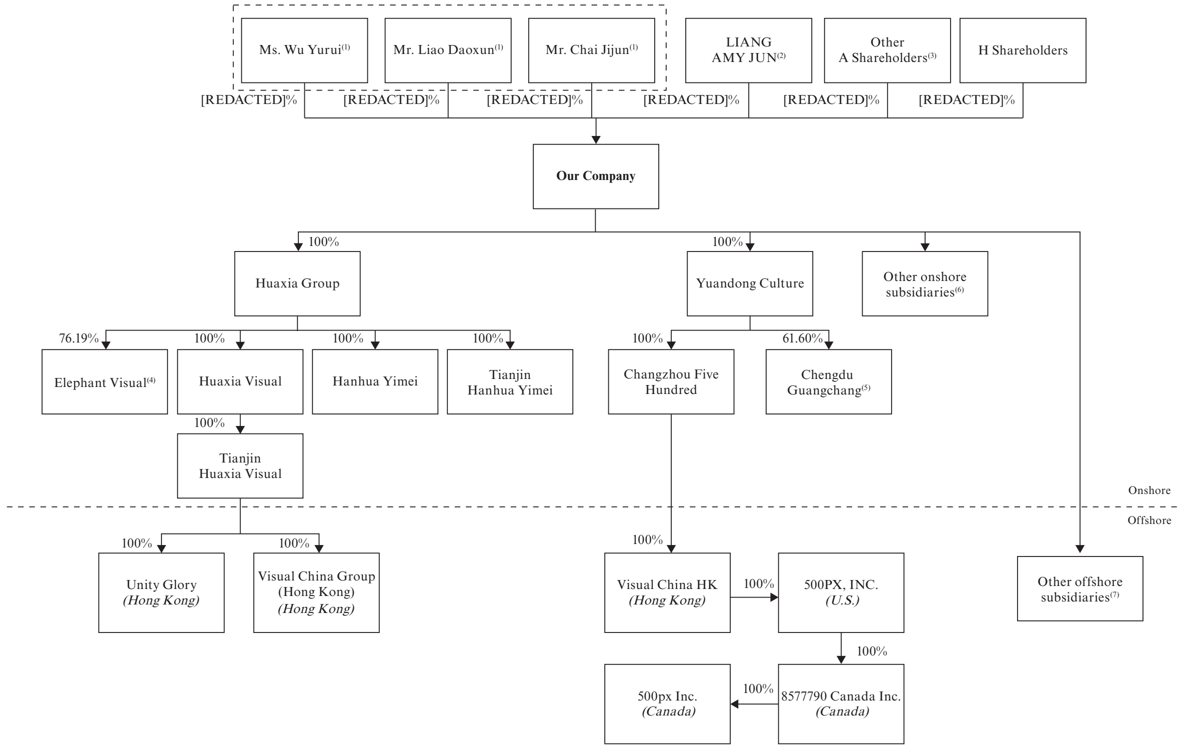
(iii) Beijing Chuangxin Zhiquan Cultural and Creative Partnership Enterprise (Limited Partnership) (北京創鑫智權文化創意合夥企業(有限合夥)) was owned as to (i) 0.01% by Changzhou Visual Home Information Technology Consulting Co., Ltd. (常州視覺家信息技術諮詢有限公司) (a wholly owned subsidiary of our Company) as its general partner; and (ii) 99.99% by Jin Xin (金鑫), an Independent Third Party; and

(iv) Price (Beijing) Cultural Communication Co., Ltd. (普萊斯(北京)文化傳播有限公司) was owned as to (i) 51% by Elephant Visual; and (ii) 49% by Ding Kezheng (丁可錚), an Independent Third Party.

(7) Other offshore subsidiaries include two indirectly wholly owned subsidiaries incorporated in British Virgin Islands and Singapore as of the Latest Practicable Date.

Corporate and shareholding structure immediately following completion of the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following completion of the [REDACTED], assuming that the [REDACTED] is not exercised, and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED]:



Notes (1)–(7): Please refer to the details contained in the sub-section headed "Corporate and Shareholding Structure — Corporate and shareholding structure immediately before the [REDACTED]" above.

OVERVIEW

Who We Are

We are a leading provider of content licensing and customization services in China. Our services enable customers to efficiently access, create, manage and deploy licensed content across a wide range of application scenarios. Our development strategy is built around content assets, AI capabilities and application scenarios. We ranked first in China and fifth globally in the visual content licensing services market in terms of revenue in 2025, according to Frost & Sullivan. The following chart sets forth the key highlights of our business:

Notes:

(1) approximately 2.3 times the aggregate share of the other four top-five players in China in terms of revenue in 2025, according to Frost & Sullivan

(2) as of December 31, 2025

(3) represents the approximate average annual number of downloads during the Track Record Period; in particular, the number of downloads was approximately 81.2 million, 85.3 million and 103.0 million in 2023, 2024 and 2025, respectively

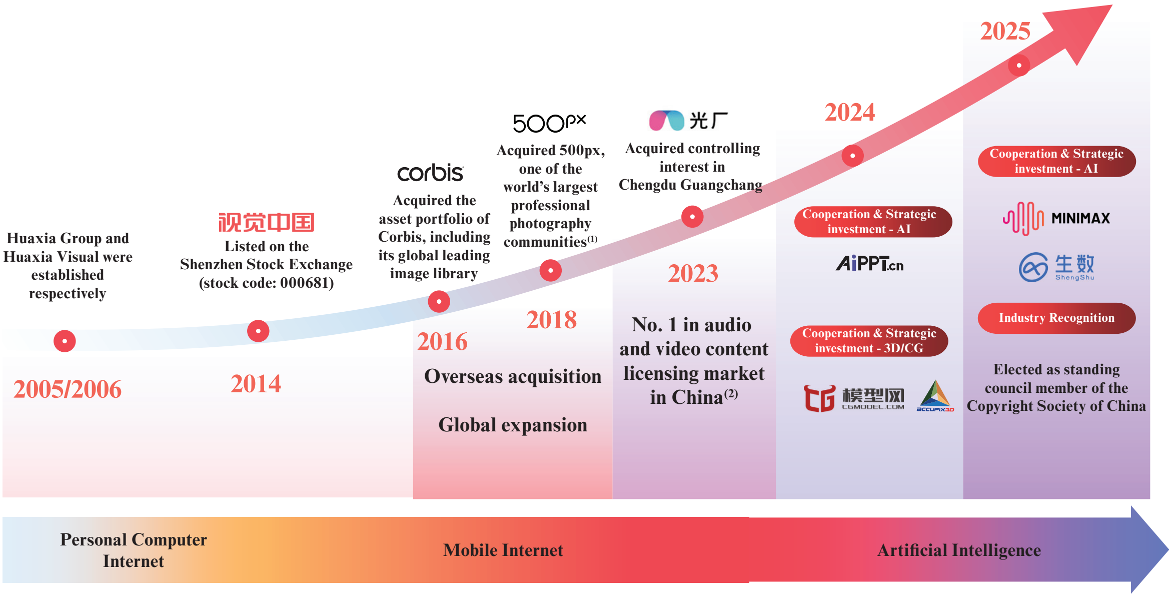
(4) represents the aggregated royalties paid to the content providers from 2014 to 2025

(5) represents the aggregated paying customers from 2014 to 2025

(6) represents the average annual number of content customization projects delivered during the Track Record Period; in particular, the number of content customization projects delivered in 2023, 2024 and 2025 was 529, 517 and 625, respectively

Two operating entities of us, Huaxia Group and Huaxia Visual, were established in 2005 and 2006, respectively. Our Company was listed on the Shenzhen Stock Exchange in 2014 (stock code: 000681). Over the years, we have continuously refined our service capabilities and operational efficiency through accumulated industry expertise and proactive strategic initiatives. We have expanded and enhanced our content resources through strategic acquisitions and ongoing provider community development efforts, while continuously enriching the breadth and quality of our content offerings. We have also actively strengthened our AI capabilities through strategic investments and collaborations, laying a solid foundation for the continued evolution of our business.

The following chart illustrates key milestones in our corporate development:



Notes:

(1) According to Frost & Sullivan, 500px is one of the world's largest professional photography communities in terms of revenue from 2018 to 2025.

(2) According to Frost & Sullivan, Chengdu Guangchang ranked first in China's audio and video content licensing market in terms of revenue, in 2023, 2024 and 2025.

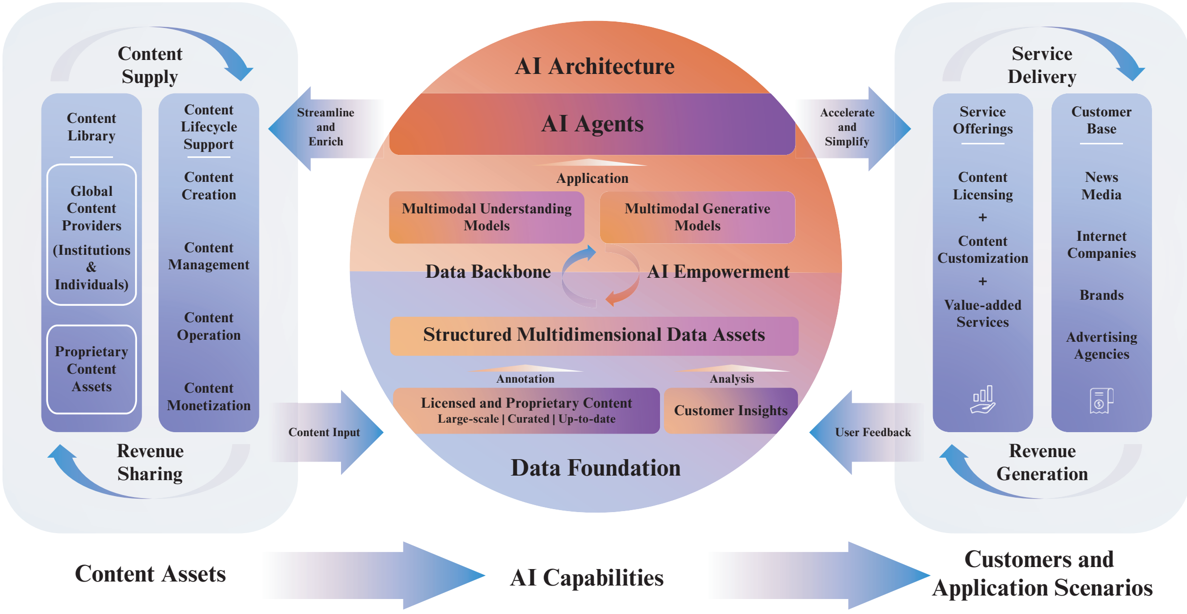
Our Ecosystem

Over more than two decades of operation, we have accumulated extensive content assets, developed AI capabilities and expanded a broad range of application scenarios. Together, these elements form a self-reinforcing ecosystem that supports content creation, management, commercialization and continuous innovation.

Content assets provide the foundation for structured multimodal data development and AI model enhancement. We offer a diverse portfolio of content formats, including images, audio, video and 3D/CG models to customers. AI capabilities improve content processing, matching, generation and commercialization efficiency, making our content services more accessible and useful to customers across diverse application scenarios. Increased customer usage then generates demand insights and feedback, which inform our content sourcing, service development and AI model iteration. Higher customer engagement also creates more monetization opportunities for our content providers, incentivizing them to contribute more content and further strengthening the scale, diversity and freshness of our content supply.

We believe this virtuous cycle enables us to shorten the path from content demand to commercially reliable output, allowing customers to more efficiently access, create and deploy commercially reliable and traceable content services. It also strengthens the value of our ecosystem to both customers and content providers, supporting the long-term growth and sustainability of our business.

The following diagram illustrates the structure of our ecosystem:



Content Assets

As of December 31, 2025, we had accumulated over 700 million content assets across various formats, including images, videos, audio files and 3D/CG models. This large-scale, curated and up-to-date content library provides the foundation for our AI development and supports commercialization across diverse application scenarios.

- ***Global Content Providers:*** We have established a global content sourcing network comprising contracted institutional copyright partners and individual content providers. As of December 31, 2025, we had approximately 300 copyright partner institutions and over 800,000 contracted individual content providers. This sourcing network enables us to continuously expand and refresh our content resources while maintaining broad coverage across content formats and application scenarios. To further strengthen content supply and provider engagement, we have developed and operated content provider communities, including *500px.com*, a global professional photography community, and *VJshi.com*, a videographer community with a leading position in domestic audio and video transactions. We have also made strategic investments in *CGModel.com*, a prominent platform and community for 3D designers and computer graphics professionals. As of December 31, 2025, these communities had accumulated over 40 million registered members across major countries and regions, representing a scalable pipeline of content supply.

- ***Proprietary Content:*** We acquired the asset portfolio of Corbis (the "**Corbis Content**") in 2016, including its core image library, comprising over 50 million images and over 190,000 video assets, documenting significant global historical events since the 19th century.

- ***Content Lifecycle Support:*** We support content providers throughout the content lifecycle, from content creation and management to operation and monetization. During content creation, we provide market insights, trend analysis and demand signals to help content providers align their works with evolving market demand. During content management and operation, we provide tools that enable content providers to tag, categorize, retrieve and manage their content efficiently. During content monetization, we implement revenue-sharing arrangements and provide real-time performance data to help content providers maximize the commercial value of their works. We also provide intellectual property protection support to assist content providers in addressing potential infringements. Through these capabilities, we strengthen content provider engagement, create incentives for continuous content contribution and support the long-term growth of our content ecosystem.

AI Capabilities

We have developed an AI capability framework that transforms content assets into structured data and AI-enabled services. This framework enhances content discovery, creation, matching and commercialization, enabling customers to more efficiently access and utilize commercially reliable and traceable content across diverse application scenarios.

- ***Data Foundation:*** Our data foundation is built upon large-scale licensed and proprietary content and customer insights. Through a combination of AI-assisted and expert annotation, we transform content into structured multidimensional data by organizing it based on semantic attributes, visual features, usage characteristics and other dimensions. This process makes content easier to search, match and use commercially. We continuously incorporate customer demand insights generated through user interactions on our platforms, enabling our data foundation to evolve alongside customer needs and support the ongoing development of our AI capabilities. As of December 31, 2025, we had cumulatively generated over 70 billion multidimensional data tags. In 2025, we have accumulated over 800 million user feedbacks.

- ***AI Architecture*****:** Our AI architecture integrates multimodal understanding model and multimodal generative model. Our multimodal understanding model supports content recognition, tagging and search matching, while our multimodal generative model supports content creation, editing and transformation. Based on these capabilities, we have developed AI agents that support both content supply and customer-facing applications. On the content supply side, our AI agents streamline content analysis, tagging, quality control and intellectual property review, helping us enrich content supply and improve operational efficiency. On the customer side, our AI agents accelerate and simplify content discovery, matching, editing and creation, enabling customers to more efficiently identify, create and utilize content.

Customers and Application Scenarios

- ***Service Offerings*****:** We provide (i) content licensing services, under which we provide content with clearly defined rights and usage scope, including the commercially reliable content; (ii) content customization services, under which we deliver tailored content solutions designed to meet specific customer needs across content creation, production, management and deployment scenarios and (iii) value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices, and content providers' community operations. Through our services, customers are able to:

  - *Compliant use:* Access rights-cleared content and use such content in commercial and editorial scenarios, reducing compliance risks arising from unclear ownership or undefined scope of use. In addition, for AI-generated content, we train our models based on rights-cleared data, enabling generated content to be traceable to its underlying data sources with clear authorization. We believe that, as regulatory and commercial requirements relating to AI-generated content continue to evolve, enterprises will place increasing emphasis on content compliance, commercial traceability and reliability. Our extensive rights-cleared content library positions us well to meet such demand and strengthen customer retention and acquisition.

- *Efficient sourcing and application:* Efficiently access large-scale content and reduce reliance on fragmented content channels. Supported by our AI agents and structured tagging systems, customers are able to quickly identify and obtain relevant content from a large content pool. In addition, we provide processing and adaptation services of content such as format conversion, resizing and optimization, allowing such content to be readily applied.

- *Flexible monetization arrangements:* Select flexible commercial arrangements based on their specific needs, including package-based models, framework agreements and per-transaction payments. Such arrangements enable customers to tailor their usage based on project-specific or ongoing content needs.

- ***Customer Base and Application Scenarios:*** We have established a broad customer base, including news media, internet companies, brands and advertising agencies. Our customers utilize our services across a wide range of application scenarios, including media publishing, marketing and advertising, e-commerce content creation, office productivity, smart device interfaces and other content-driven applications. Through ongoing customer engagement and usage feedback, we continuously accumulate customer insights and industry know-how, which inform the enhancement of our content resources, AI capabilities and service offerings. This enables us to address a broader range of needs from existing customers, attract new customers across additional application scenarios and deepen customer engagement over time. As customer usage and feedback continue to reinforce our content assets and AI capabilities, we believe this feedback loop strengthens customer retention and supports the long-term growth of our ecosystem.

Why Us

We believe we are well positioned to capture opportunities arising from the AI-driven transformation of the visual content services industry. AI technologies are reshaping the industry by accelerating the conversion of content into structured data, enhancing content discovery and creation, improving production efficiency and enabling new forms of content commercialization. As these developments continue to evolve, we believe industry participants with access to high-quality content assets, structured data capabilities, deep domain expertise and broad application scenarios will be best positioned to capture emerging opportunities.

Over the years, we have accumulated large-scale rights-cleared content and developed capabilities to transform such content into structured, multidimensional data assets. Combined with our extensive industry experience and broad range of application scenarios, these capabilities enable us to integrate AI technologies into our services and workflows in a practical and commercially viable manner. Rather than relying solely on AI models, we leverage our content assets, data capabilities and domain expertise to continuously improve content discovery, matching, generation, customization and delivery, allowing us to provide more efficient, accurate and scalable solutions to our customers.

We believe AI not only enhances the utilization and value of content assets, but also drives innovation in business models and operating processes. By embedding AI capabilities across our service offerings and workflows, we are able to improve user experience, expand monetization opportunities and increase operational efficiency. AI-assisted annotation, search, review and content production processes help streamline workflows, reduce reliance on labor-intensive operations and enhance the scalability of our business. At the same time, the continuous interaction among our content assets, structured data and AI capabilities creates a self-reinforcing cycle that further strengthens our services.

As regulatory scrutiny over AI-assisted and AI-enabled content continues to evolve, we believe compliant, traceable and commercially reliable content will become increasingly important across the visual content services industry. Our rights-cleared content assets, end-to-end rights management capabilities and traceability mechanisms provide a strong foundation for customers seeking to create, distribute and commercialize content in an increasingly regulated environment. We also actively contribute to the development of industry standards and best practices. In 2024, we issued China's first *Guidelines for Submitting AI-assisted Creative Works* (《AI輔助創作作品投稿指南》), providing a framework for the compliant creation and use of AI-assisted content. We published the *2026 Creative Trends Report* (《2026年度創意趨勢報告》), providing insights into industry developments. We believe that our active participation in shaping industry practices not only supports the sustainable development of the content licensing and customization industry, but also enhances our ability to anticipate industry trends, respond to evolving regulatory requirements and capture opportunities arising from the ongoing transformation of the industry.

OUR STRENGTHS

A Global Content Ecosystem Built with Foresight

We ranked first in China's visual content licensing services market in terms of revenue in 2025 and have built one of the most extensive content ecosystems globally, according to Frost & Sullivan. As of December 31, 2025, we maintained collaborations with approximately 300 institutional content partners including global news media such as the Associated Press and Agence France-Presse, as well as visual content agencies and distribution platforms such as Getty Images, Newscom, IMAGO and AFLO. We also had over 800,000 contracted individual content providers worldwide. We are also the exclusive content partner in Chinese Mainland of Getty Images, the world's largest visual content provider according to Frost & Sullivan. This sourcing network enables us to continuously expand and refresh our content resources. As of December 31, 2025, we have aggregated over 700 million high-quality pieces of content, including our proprietary Corbis Content, a globally recognized historical image archive founded by Bill Gates. This large-scale and globally diversified content supply enables us to provide customers with a broad, stable and continuously updated content offering across a wide range of application scenarios, enhancing customer retention and reinforcing our market position.

We have also established various online communities for content providers such as photographers, designers and videographers. In recent years, we have strengthened this community family through the acquisition and operation of leading content platforms, including *500px.com*, an online community for photographers and *VJshi.com*, an online community for video creators, as well as strategic investments in *CGModel.com*, a marketplace for 3D/CG model content. As of December 31, 2025, our communities had accumulated over 40 million registered members across all major countries and regions, representing a scalable pipeline of content supply. This extensive global network provides us with a continuous supply of high-quality, traceable, reliable and authentic content. It also enhances content diversity, supports frequent content updates and improves supply stability, further strengthening our competitive position in the visual content industry.

Diverse Application Scenarios and a Broad Customer Base

We have built a broad and high-quality customer base, including news media, internet companies, brands and advertising agencies. This broad customer base enables us to cover a wide range of application scenarios and supports the commercialization of our content assets across different industries. Our news organization customers include national and local news organizations, key news portals and mainstream media entity, enabling us to achieve extensive brand exposure through their broad audience reach. Meanwhile, their demand for timely and strictly compliant content has driven us to continuously enhance our capability and refine services. We collaborate with leading internet companies through our API-based services, enabling them to integrate our content library directly into their own systems. Through these integrations, our content is applied across a broad range of scenarios, including content creation, e-commerce, advertising and office productivity tools. In the advertising and branding sector, our customers primarily consist of leading brands and advertising agency in industries such as telecommunications, automotive, consumer goods and financial services. We provide these customers with content licensing and content customization services tailored to their marketing and branding needs. In 2025, for our content licensing services, the number of our key account customers with annual spending exceeding RMB100,000 reached 631. During the same period, we delivered more than 500 content customization projects. Leveraging our broad customer base and wide coverage of application scenarios, we continuously refine our service offerings, enhance customer retention and repeat purchase and support diversified revenue streams and sustainable business growth.

Structured Multidimensional Data Assets Enabling Competitive Differentiation

We continuously unlock the value of large-scale content through a combination of AI-assisted annotation and expert annotation, capturing multidimensional attributes such as visual features, creative techniques, entity recognition, subject attributes, temporal and spatial context, explicit and implicit intent and application scenarios. Based on this process, we transform rights-cleared, traceable and reliable content into structured multidimensional data. As of December 31, 2025, we had cumulatively generated over 70 billion multidimensional data tags. In 2025, we have accumulated over 800 million user feedbacks, including user searches, downloads and purchases on our platforms. We have also accumulated extensive know-hows across industries such as media publishing, advertising and creative design. These structured multidimensional data support efficient content discovery and precise matching across our platforms, enabling customers to identify more relevant content for their specific needs, thereby increasing the likelihood of downloads and purchases. In turn, they increase content utilization and support higher conversion rates, further unlocking the commercial value and strengthening competitiveness of our content assets.

AI Capabilities Spanning Multimodal Understanding and Content Generation

We have advanced our AI capabilities through a combination of in-house development, collaborative development and strategic investments. We have established AI capabilities empowered both by multimodal understanding model and multimodal generative model.

Capitalizing on our rights-cleared data, we enhance multimodal understanding model performance by optimizing open-source models and leveraging industry-leading models. These efforts improve AI capabilities in areas such as semantic understanding and visual content analysis, enabling the efficient conversion of content into structured multidimensional data. Our AI agents support advanced functions such as AI-assisted search and content matching, which improve user experience in our content licensing services.

We build content generation capabilities based on our large-scale rights-cleared data. We use such data to train text-to-image and other generative models, which allow generated content to be traced back to its underlying data sources and used with clear attribution and authorization. This enables us to provide AI-generated content that can be used in commercial scenarios in a compliant manner. In addition, we are advancing our generative models and related tools, which are designed to support flexible deployment options, including both on-premise and cloud-based environments. This allows us to meet the needs of customers with stringent requirements on data security, confidentiality and internal system integration, while enabling efficient content generation within controlled environments.

Based on these AI capabilities, we provide integrated services covering the full process from content generation to application, meeting customers' needs for compliant, traceable and commercially reliable content.

Robust Content Compliance Framework Underpinning Commercial Reliability and Traceability

We place strong emphasis on content copyright compliance and maintain a leading market position in providing content and AI-generated content that is commercially reliable and traceable. We have established a standardized authorization management system, aiming to ensure a clear and traceable chain of rights from original creators to our users. We have also built a comprehensive content compliance framework covering the entire content lifecycle, from ingestion to publication. Through a combination of AI-assisted and manual review processes, complemented by professional review performed by third-party institutions, we effectively manage content compliance and copyright risks.

Against the backdrop of the rapid development of generative AI, AI-generated content in the market often faces challenges such as unclear provenance and heightened infringement risks, which limit its use in marketing and advertising scenarios. Leveraging our rights-cleared content resources, we develop AI-generated content with built-in traceability across both generation and application processes, managing potential infringement risks from the very beginning. We have long served large enterprises in sectors such as finance, telecommunications and power, as well as leading internet companies. These customers have stringent content compliance requirements, and our ability to meet such requirements also demonstrates the robustness and reliability of our compliance framework.

Visionary and Experienced Management Team Guiding Long-Term Growth

Our management team has extensive and long-standing experience in the visual content industry. Our chairman of the Board, Mr. Liao Jie, has over 20 years of experience in business operations and corporate governance across sectors including media and internet technology, open-source software ecosystems and enterprise software. Our Director and president, Mr. Chai Jijun, has extensive experience in copyright transactions, the visual content industry and content technology. Our Vice President, Mr. Zhang Zongtang, previously served at Xinhua News Agency and has accumulated practical experience in the media and cultural sector, content ecosystems and the copyright industry. Our vice president, Ms. Chen Chunliu, previously served at Huagai Capital and has extensive investment experience in the content technology sector. Our vice president, Mr. Li Yi, has extensive operation and management experience in content customization and AI technology application sectors. Leveraging their extensive experience and deep industry insight, our core management team guides our long-term growth.

Our management team has a strong understanding of the importance of a global content ecosystem and has proactively advanced the development of global visual content resources, making sustained progress in strategic investments and acquisitions to achieve great resource integration and ecosystem development. Looking ahead, we will continue to pursue a global development strategy and further expand our global footprint in AI-empowered content services through ongoing investments in content resources and AI capabilities.

OUR STRATEGIES

Enhancing AI Capabilities to Drive Business Growth

We believe that generative AI and multimodal technologies will reshape the future of intelligent visual content services. To capture these opportunities, we will combine in-house development and external collaboration, supported by continued investment in the recruitment and development of talent as well as research and development, as well as deeper cooperation with foundation model developers and computing infrastructure providers.

Specifically, we plan to (i) further enhance our multimodal understanding and generative models with copyright traceability capabilities, enabling the delivery of efficient, compliant and commercially reliable AI-driven content solutions; (ii) leverage our high-quality, rights-cleared and authorized structured datasets to develop industry-specific models and enhance service accessibility through API-based services, supporting our content licensing and content customization businesses; and (iii) enhance our capabilities in data processing, content annotation, copyright traceability and compliance review through collaboration with foundation model developers and computing infrastructure providers, and establish a high-quality, commercially reliable and traceable AI training data system.

Through these initiatives, we aim to strengthen our AI-driven technology capabilities across the industry value chain and build an integrated content production platform, supporting our long-term growth as an integrated content solutions platform.

Pursuing strategic investments in content, AI and other synergistic areas within our business ecosystem

We will continue to implement an investment strategy focused on strengthening core capabilities and developing new growth drivers. On the one hand, we seek to complement key technological capabilities and optimize our business ecosystem through targeted investments and partnerships. On the other hand, we plan to expand into emerging AI and content applications to broaden application scenarios and extend our customer base.

In the field of AI applications, we intend to identify ecosystem synergies and incremental growth opportunities by leveraging our existing strengths and aligning with customer demand. We plan to expand our AI application offerings and enhance our consumer-facing AI capabilities through strategic investments in or acquisitions of consumer-oriented AI application platforms. This will allow us to extend our services to broader end-user scenarios and strengthen synergies with our principal businesses. At the AI model development level, we will continue to deepen cooperation with leading AI companies and foundation model providers through equity investments and other collaboration arrangements. Leveraging our rights-cleared data resources together with advanced external models, we aim to jointly develop industry-specific solutions.

Expanding Application Scenarios and Customer Base

We will continue to deepen our understanding of user demand, expand application scenarios and broaden our customer base, including engaging with more end users, while enhancing user experience. We plan to further diversify our service and delivery models and introduce intelligent creation tools that enable users to actively participate in content creation and engage in AI-driven customization, supporting content co-creation and user growth. We will also extend the applicability of our products and services across a wider range of scenarios, including e-commerce, advertising and marketing, and office productivity, reinforcing our strengths in content.

We plan to pursue our international expansion by leveraging our collaborations with leading overseas application companies and further developing our global distribution network. According to Frost & Sullivan, the global market size of AI-generated visual content reached approximately US$30.7 billion in 2025 and is expected to increase to US$137.4 billion by 2030, representing a CAGR of 35.0%. Such growth is expected to provide favorable conditions for the global expansion of our AI-enabled content services. Leveraging our content resources and operating experience accumulated in China, we expect our business model to be scalable in overseas markets. In addition, the global expansion of short-form video and cross-border e-commerce is expected to further drive demand for visual content and create opportunities for our overseas growth.

In terms of global content distribution, we intend to leverage our established business model and market insights to deepen cooperation with international distribution channels and enhance our overseas distribution capabilities. We also plan to expand our overseas media partnership network and further develop our global content distribution and monetization channels.

Diversifying Content Supply and Enhancing Providers' Experience

We will continue to develop a diversified content supply structure combining traditional content with AI-generated content. We plan to strengthen cooperation with leading global institutions such as Getty Images and expand the sourcing of high-quality traditional content. At the same time, we will continue to enhance our provider ecosystem by expanding our provider base to include individual creators and professional design teams, thereby increasing the supply of high-quality human-created visual content.

We also intend to respond proactively to the development of AIGC by incorporating large volumes of high-quality AI-generated images, videos, audio, 3D/CG models and dynamic assets with traceable rights into our content resource system, facilitating the integration of traditional and AI-generated content and enhancing the diversity, timeliness and relevance of our offerings.

In addition, we will continue to enhance AI-enabled functions, such as content annotation and intelligent scoring, to streamline content upload and management for providers, improve content visibility, and support greater monetization efficiency and more effective portfolio management.

OUR SERVICE OFFERINGS

Our service offerings include (i) content licensing services, under which we provide content with clearly defined rights and usage scope, including the commercially reliable content, (ii) content customization services, under which we deliver tailored content solutions designed to meet specific customer needs across content creation, production, management and deployment scenarios and (iii) value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices, and content providers' community operations. The following table sets forth the breakdown of our revenue by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Content licensing services	575,209	73.7	609,585	75.1	523,688	67.2
Content customization services	151,620	19.4	163,763	20.2	209,240	26.9
Value-added services	54,001	6.9	37,836	4.7	45,542	5.9
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Content Licensing Services

Before content providers upload their content to our platforms, they must give formal authorization for the relevant content. We then grant our users the right to use such content within agreed scopes and charge corresponding licensing fees. We share such revenue with content providers based on agreed arrangements, providing them with easy access to content commercialization. Our customers are able to download and use content licensed by us in a compliant manner.

Our content licensing business facilitates the circulation of content between the supply side and the demand side. In certain cases, content users may choose to credit our platform as the source of the content in their outputs, which may indicate that the content is sourced from a platform that processes large-scale compliant and rights-cleared content. At the same time, such attribution enhances our visibility, increases market recognition of our brand and reinforces users' perception of the quality and compliance of our content.

Our Platforms

We deliver content licensing services through our platforms, primarily including *VCG.com* ("**VCG**"), *CFP.cn* ("**CFP**"), *VJshi.com* ("**VJshi**") and *ImageShop.com* ("**ImageShop**"). These platforms offer a wide range of content, primarily including images, videos, audio files and 3D/CG models. Each platform is designed to serve different customer segments. Our VCG and CFP platforms primarily provide standardized, full category creative and informational content to large enterprise customers and mainstream news organizations. Our ImageShop and VJshi platforms primarily provide video and image content to small and medium-sized enterprise customers.

We keep pace with the development of AI technologies, deeply integrating cutting-edge AI technologies into our content licensing services. We have pioneered in incorporating AI-generated and AI-assisted content contributed by our content providers into our content library, addressing evolving and diverse user needs. As of December 31, 2025, we contracted over 12,000 AI content providers, with our platforms hosting more than 9 million AI-generated images and videos and generated total sales of over RMB50 million. In addition, in 2024 we issued China's first *Guidelines for Submitting AI-assisted Creative Works* (AI輔助創作作品投稿指南), which provides clear guidance and framework for AI content providers. We published the *2026 Creative Trends Report* (《2026年度創意趨勢報告》), providing insights into industry developments.

In addition to our platforms, we offer API-based services that enable customers to integrate our content resources directly into their own systems and workflows. Our API-based services support functions such as content search, licensed download and content management, allowing customers to efficiently source and use content. Our API-based services are widely applied across use cases such as media production systems, enterprise content management platforms, advertising and marketing platforms and design tools.

Our Licensing Types

Content users are required to select licensing types based on their intended use of the content. We generally categorize our licensing arrangements into the following three typical types:

- *Commercial use*: Content is licensed for advertising, marketing, product promotion and other profit-oriented commercial activities. Customers typically include enterprises, advertising agencies, production companies and commercial content creators.

- *Editorial use*: Content is licensed for news reporting, current affairs commentary and other information dissemination purposes to support the accurate and compliant use of content in editorial contexts. Customers typically include newspapers, magazines, television stations and online media organizations.

- *Other use*: Content is licensed for education, public services, research and personal sharing that does not involve profit-making activities, to provide a cost-effective solution for non-commercial content usage. Customers typically include educational institutions, research organizations.

Our Charging and Pricing Model

We offer a range of charging models to accommodate the budgets and needs of content users, including:

- *Package-model agreements*: under which customers commit to a pre-agreed usage level or fee. This may take the form of (i) a fixed annual fee or (ii) a pre-defined usage quota, with any usage in excess of the quota subject to additional charges. Such arrangements provide greater certainty in usage and revenue;

- *Framework agreements*: under which pricing terms (such as unit price or discount levels) are agreed in advance, and customers are charged based on actual usage, with settlement generally conducted on a monthly or quarterly basis. Such arrangements are generally adopted where usage volume is less predictable; and

- *Per-transaction payments*: content users pay each time they download and use our content.

The pricing of individual content items is determined based on multiple factors, including licensing type, geographic scope, duration of use, number of use and specific sizes. To facilitate content discovery, we may provide certain features for search, preview or evaluation purposes, such as previews or samples. However, where customers require formal licensing, downloads of high-quality deliverables with clear rights, fees will apply in accordance with the relevant licensing arrangements.

Application of AI Technologies in Our Content Licensing Services

We apply AI technologies across various stages of our content licensing services to support content processing, platform operations and user interactions.

During the content processing stage, we leverage AI technologies to analyze visual content, including image feature recognition, color analysis and application scenario identification. Based on multidimensional attributes, such as content elements, creative styles and technical characteristics, we generate a structured tagging system for each piece of content. On the one hand, such tags enable the automatic generation of content descriptions and facilitate the transformation of visual content into structured multidimensional data, simplifying the upload process for content providers and improving efficiency. On the other hand, these tags form the foundation of generating our structured multidimensional data, which supports subsequent content search, matching and distribution. In addition, we incorporate AI agents into key processes such as content quality control and intellectual property review, to enhance the efficiency and accuracy of our review procedures. See "— Our Content Admission, Review and Management."

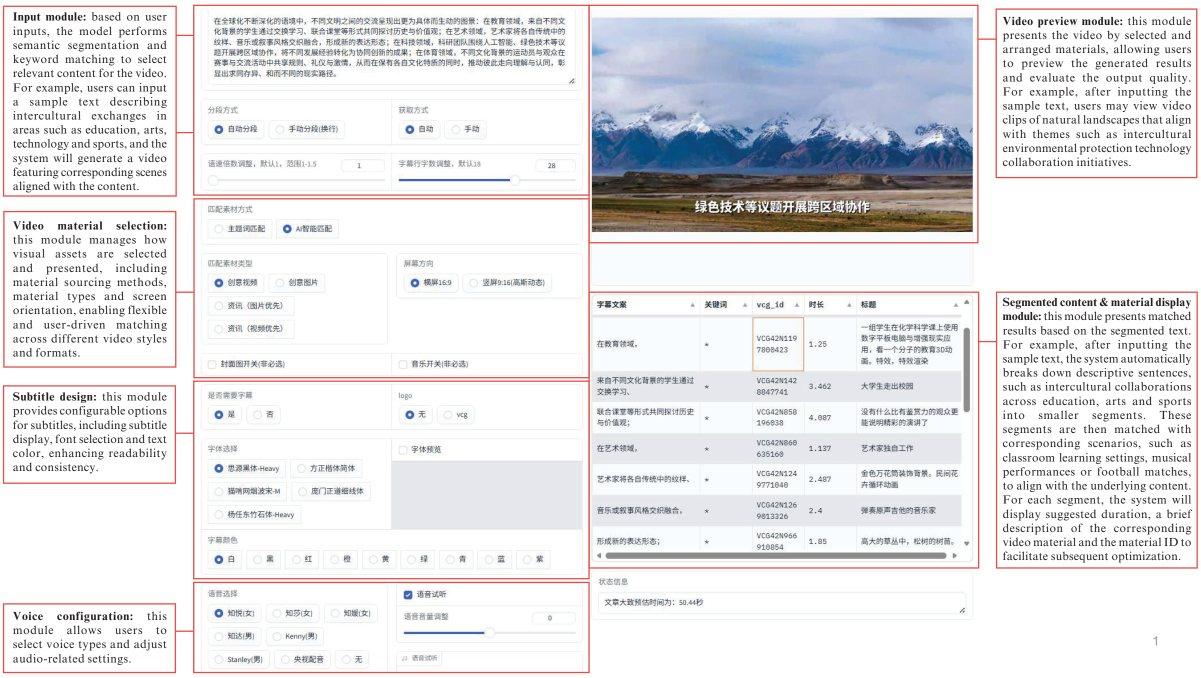
In user interactions with our platforms, we apply AI technologies to enhance content discovery and usage experience. Specifically, in terms of content access, we incorporate AI-generated content into our platforms and have established dedicated sections for such content. In terms of user interactions, we integrate various AI-assisted functionalities into our platforms to improve users' efficiency in content discovery, processing and creation. The representative AI-assisted functions on our platforms include the following:

- AI-assisted search: We provide intelligent search and recommendation features on our platforms. For example, the Inspiration Expansion (灵感拓展) function on our VCG and CFP platforms generates image selection suggestions and creative prompts based on user-input keywords, allowing users to iteratively refine their search criteria and narrow down suitable content more efficiently, improving content discovery efficiency. The following illustration demonstrates our AI-assisted search capability, which provides intelligent recommendations and iterative query refinement based on user inputs.

- AI-assisted image editing: We provide a range of editing tools on our platforms. For example, the Creative Workspace (創意工作台) on our VCG platform supports functions such as image transformation, background adjustment, image extension, enabling users to modify content directly on the platform. In addition to predefined editing tools, users may specify desired adjustments through interactive inputs, and the multimodal generative model will generate or adapt images accordingly. These tools allow users to complete content editing and secondary creation online, improving adaptability and reducing the need for additional external design software. The following illustration demonstrates our AI-assisted image editing capability, which enables users to modify and adapt visual content through predefined tools and multimodal model-driven adjustments based on interactive inputs.

- AI-assisted content matching: AI-assisted content matching functionalities on our platforms to enable users to efficiently identify suitable visual materials based on textual inputs. Users may input full-length text, such as news articles, editorial content or marketing copy, and the system analyzes the semantic meaning of the text to identify key elements, including subjects, scenes, themes and overall context, and retrieves matching, rights-cleared visual content from our content library. Unlike traditional keyword-based search, this semantic-based analysis functionality is particularly applicable to image selection in editorial and publishing processes for news organizations and content platforms, enabling users to efficiently obtain materials suited to their usage scenarios, reduce manual selection efforts and enhance the overall quality of content presentation. The following illustration demonstrates our AI-assisted content matching capability, which identifies and retrieves relevant, rights-cleared visual assets based on semantic analysis of textual inputs.

- AI-empowered one-click video generation: We provide video generation function that enables users to generate video content based on their input topics. The system can automatically generate structured scripts based on the topic entered into by the users, match appropriate licensed video clips and images, and add voice-over, subtitles and background music to produce a complete video. Users can further edit and refine the generated content based on their specific needs. This function supports efficient video production while ensuring the use of licensed and compliant content assets. The following illustration demonstrates our AI-enabled one-click video generation capability, from topic input to automated video production and editing.



Content Customization Services

We provide content customization services based on customers' specific requirements, leveraging our extensive content resources and integrated production capabilities. Our customization services primarily include graphic design, video production and virtual production. We primarily serve customers with advertising, marketing and brand communication needs, across industries such as consumer electronics, automotive, consumer goods, financial services, as well as culture and tourism.

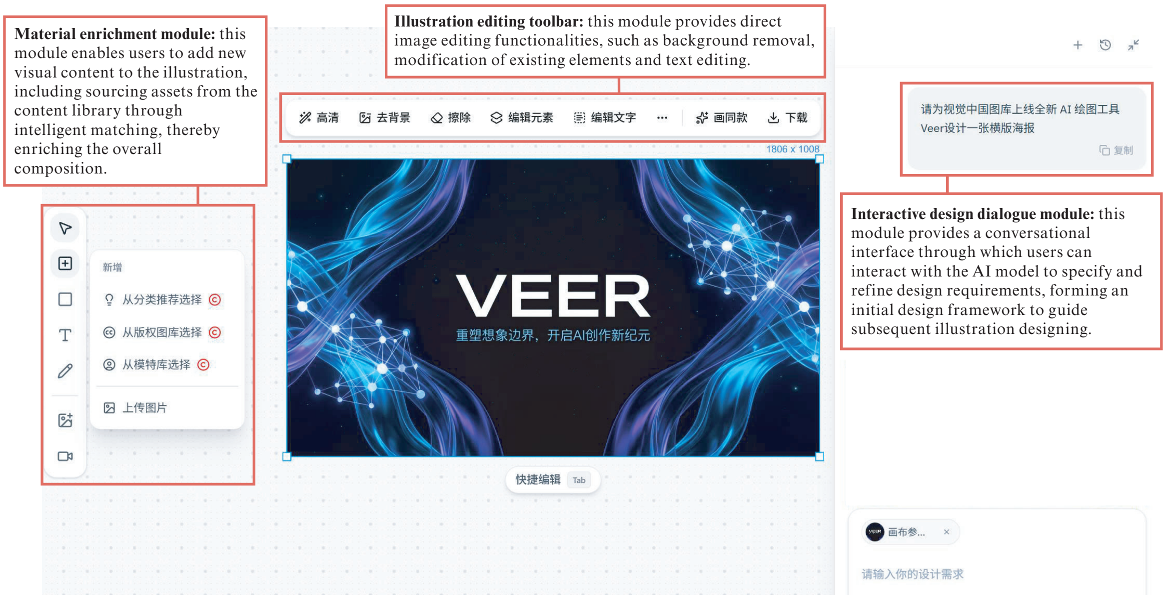
Our content customization services build upon our content licensing business. Leveraging the large-scale, high-quality and rights-cleared content accumulated through our content licensing services, we are able to provide raw materials for customization projects and ensure compliance and traceability in the use of content. Compared to traditional advertising and marketing agencies, we benefit from strong content resource advantages, and such agencies may also procure content from us for their own project execution.

In addition, we have established an extensive supply chain network, including professional service providers such as photographers, post-production studios and design agencies. Through the coordination and allocation of such production resources, we are able to match suitable execution capabilities to different project requirements. Based on our content resources and supply chain capabilities, we provide one-stop content customization services to our customers.

Our AI-Assisted Integrated Service Model

The evolution of AI technologies has led to a more integrated model of content production, where content creation and production processes are increasingly interconnected. Compared to traditional production models, which heavily relied on fragmented workflows across different stages and external service providers, AI-assisted workflows allow for greater integration of idea creation, content generation and production execution. Leveraging our content ecosystem, including our content provider base, curated content resources and external production network, we are able to integrate creative, production and delivery capabilities more effectively. This enables us to enhance coordination across the value chain, improve production efficiency and support scalable delivery of customized content solutions.

In the course of project execution, we combine AI technologies with professional production capabilities to deliver customized content. Depending on project complexity and creative requirements, AI tools may be applied in content generation, editing and refinement processes, and are integrated with human creativity and production workflows to improve production efficiency and optimize delivery outcomes. For example, we have deployed an internal design support tool *Veer* to assist our designers in generating initial design drafts based on user prompts, including graphic designs, illustrations and posters, reducing design lead time and improving efficiency. On this basis, our production team further refines and adjusts the outputs to meet customers' specific requirements. The following illustration demonstrates how our internal tool generates corresponding images based on input prompts and provides editing functions.



The application of AI technologies has, to a certain extent, transformed the workflow of content production, contributing to improved production efficiency, cost management and profit margin. Supported by the large-scale, high-quality and compliant data foundation and closed-loop production environment, we are enabled to provide copyright assurance for deliverables in our content customization services. This enables us to meet customers' compliance requirements and establish differentiated competitive advantages.

In addition, since June 2026, we have commenced pilot operation of the Veer.com platform directly to users. This allows users to independently generate and edit content through our platform, improving their production efficiency. Our Veer.com platform also leverages our extensive content library as underlying creative resources, and benefits from our rights-cleared content base and traceable content management capabilities. We plan to gradually explore monetization of our Veer.com platform, including charging subscription fees for access to certain features and services. This represents an ongoing iteration of our service model to extend our content creation capabilities and enhance user engagement. Such tools are not expected to fully replace our existing content customization services in the near term. For projects involving higher compliance requirements or more complex creative needs, such as commercial advertising and brand campaigns, content production is typically carried out with greater involvement of our professional teams to ensure compliance and quality standards are met.

Our Delivery Model

Our content customization services are generally project-based. Pricing is generally determined on a project-by-project basis, taking into account the scope of work and the complexity of deliverables. Depending on customer requirements, project scope and delivery timelines, we deliver such services through the following models:

- *In-house delivery model*: we directly manage project execution and deliver final outputs to customers; and
- *Partner-enabled delivery model*: we coordinate external production resources, such as advertising agencies and specialized creators, to perform certain production tasks.

Under both models, we leverage our content resources and AI tools to streamline production processes, and we implement project management, quality control and compliance procedures throughout the workflow to ensure delivery quality.

Projects typically cover stages including requirement intake, solution design, content production and delivery. We allocate resources based on project progress and implement quality control and compliance management at each stage. Project timelines vary depending on customer requirements (such as their product launch schedules), production complexity and the scope of deliverables.

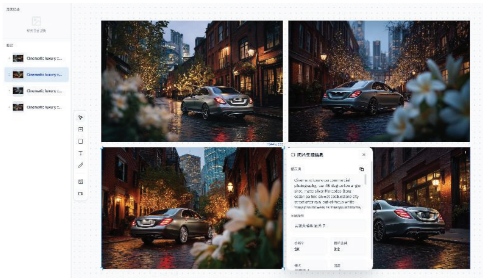
In terms of settlement, we generally collect payments upon customers' final acceptance of project deliverables. Specific payment arrangements and cycles may vary depending on customer type and contractual arrangements. Where projects involve external production partners, we typically settle with such parties based on agreed arrangements after receiving payment from our customers.

Representative Case of Our Content Customization Services

We provided content customization services for the promotion of Mercedes-Benz's new vehicle model in 2025, including the production of promotional videos and images. In this project, the customer required visual materials that could accurately reflect the structural details of the product (such as body lines and grille proportions) and the physical light reflection properties of the vehicle surface, while achieving diversified creative scenes for commercial use. Traditional production methods typically involve on-site shooting across multiple locations and extensive post-production, which are associated with high location costs and challenges in replicating complex dynamic lighting conditions.

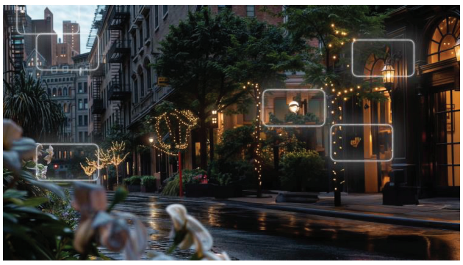
In response to these requirements, we developed an integrated solution combining AI-generated scenes and 3D rendering technologies. First, for background generation, we utilized underlying models trained on licensed content datasets to generate scenes, such as polar wilderness and futuristic urban environments through semantic prompts. All generated scene materials were sourced from compliant training data, ensuring that the background assets were commercially licensable. Second, for the car itself, instead of relying solely on AI-generated outputs, we applied high-precision 3D modeling and rendering techniques. A digital twin of the vehicle was constructed to ensure that all structural parameters of the vehicle were accurately represented. Third, we implemented a physical lighting simulation process by mapping the environmental lighting information derived from AI-generated scenes into the 3D rendering engine. This enabled the simulation of real-world light reflection on the vehicle surface, allowing the rendered product to accurately reflect environmental details from the generated scenes and achieve visual consistency between the foreground and background.

Throughout the production process, all materials were centrally managed to ensure that underlying content was sourced from licensed or rights-cleared content, enabling traceability and compliance of the final deliverables. As a result, the project achieved both structural accuracy of the product and flexibility in scene creation. Compared with traditional workflows, the production cycle was reduced from approximately two months to around three weeks, while maintaining advertising-grade visual quality and reducing the overall cost associated with location shooting and post-production.



Step 1. AI-powered image generation based on user prompts to produce initial concept drafts

Step 2. AI-assisted scene composition, camera angles selection and lighting design



Step 3. AI-assisted refinement of visual details

Step 4. AI-assisted scene-based perspective matching

Step 5. AI simulation of real-world environments to generate realistic reflections on the vehicle surface

Step 6. Final manual retouching to refine details and finalize output

Value-Added Services

We continually identify structural needs arising from the development of the visual content industry. These include the increasing diversification of content supply (encompassing institutional providers, individual creators and AI-generated content), the growing complexity of copyright compliance and rights verification, rising demand from enterprises for content management, increasing requirements for scalable API-based access and the broader adoption of AI technologies. We have identified and captured relevant market opportunities and expanded our portfolio of value-added services. Currently, our value-added services primarily include AI training data services, digital asset management services, visual content solutions for smart devices and content providers' community operations. Going forward, we will continue to broaden our service offerings, optimize our service models and enhance our ecosystem to support long-term growth.

AI Training Data Services

We provide data services to a broad range of customers, including AI model developers, internet companies and customers seeking to develop or enhance their AI capabilities. These customers typically require large-scale, high-quality and compliant datasets for training, fine-tuning and evaluating AI models. Leveraging our extensive content resources and annotation capabilities, we have developed integrated data service capabilities across a wide range of formats and application scenarios. We provide end-to-end data services covering the full lifecycle of AI training data, including data collection, processing, annotation, quality control, rights verification and licensing.

Through a combination of AI-assisted annotation and expert annotation, we transform rights-cleared content into structured multidimensional data. Each data unit is supported by a verifiable chain of rights and detailed metadata, allowing customers to use such data with clarity regarding ownership, compliance and permitted usage scope. Prior to providing data services to our customers, we perform authorization verification in accordance with our contractual arrangements with upstream content providers to determine the permitted scope of use of the relevant content in AI training and data service scenarios. Content for which the required authorization has not been obtained, or which is not permitted for use in external data services or model training, will not be included in the relevant datasets. In respect of content included in our data services, we share revenue with the relevant content providers in accordance with the agreed contractual terms.

We have also established collaborations with professional data service providers, such as Haitan Ruisheng, a foundation models data solution provider and DataTang, a globally recognized provider of AI training data services, to complement our capabilities and expand our service capacity. These collaborations enable us to broaden data coverage, improve processing efficiency and support large-scale data projects.

Our revenue model for data services is primarily based on service fees. Depending on customer needs, we engage on a project basis or through ongoing data supply arrangements. Pricing is determined based on factors including (i) the intended use and type of the model, (ii) the volume, specifications, categories of data, (iii) the duration of data usage, and (iv) agreed acceptance standards.

Through these services, we further leverage our content assets and supply chain network in AI training and data applications, expanding their commercial use cases and revenue-generating potential. This also strengthens the linkage between our content resources and AI applications, reinforcing the interaction between data, models and business expansion.

Digital Asset Management Services

We provide digital asset management services primarily to public service organizations, news media, large enterprises and other customers that manage substantial volumes of visual content assets. Such customers typically face challenges including fragmented storage of assets, low search efficiency, difficulties in cross-departmental collaboration and reliance on manual processes that limit operational efficiency. Our services allow customers to improve management efficiency, enhance utilization across different business scenarios and realize the commercial value of their content assets.

Our digital asset management system adopts the international standards for the description, exchange and management of content, and supports rapid deployment and customization based on customer requirements. Our data asset management system covers the full lifecycle of content assets, including the following stages:

- *Content ingestion and storage*: Content providers complete authentication and enter into relevant agreements before uploading content into the system.

- *Content review and rights verification*: The system conducts compliance reviews and verifies copyright ownership and usage permissions. Only compliant content is admitted.

- *Content tagging and management*: The system applies structured tagging to classify and organize content, and leverages AI technologies to extract key annotation. These structured tags improve standardization and enables efficient management, retrieval and reuse of large-scale content assets.

- *Content search and usage*: The system supports multiple search methods, such as keyword-based, image-based and semantic search. Users can access and download content in various formats and specifications.

- *Permission control and distribution*: The system provides role-based access control, allowing differentiated permissions for viewing, downloading and editing content.

- *Monetization and data analytics*: The system performs statistical analysis on content assets, including upload volumes, downloads and usage frequency, and generates visualized reports to support decision-making. The system also supports content licensing directly to our platforms, enabling customers to monetize their content assets.

Visual Content Solutions for Smart Devices

We provide visual content solutions for smart devices through collaborations with leading manufacturers of smartphones, PCs, tablets and other smart devices. We operate a B2B2C business model under which we license copyrighted content to business customers and participate in downstream monetization generated by end users. In addition to licensing fees, we may derive revenue from end-user subscriptions and advertising revenue-sharing arrangements, linking a portion of our revenue growth to end-user engagement.

We provide a wide range of visual content, including lock-screen wallpapers, themes and other personalized visual assets. Such content is typically pre-installed on devices or made available to end users through system interfaces, device stores or online distribution channels operated by our partners. Through this process, our content is integrated into the daily user experience across multiple device touchpoints, enabling large-scale and high-frequency user reach. We work closely with our partners to tailor content offerings based on user preferences, device characteristics and usage scenarios. We support our partners in strengthening the attractiveness and stickiness of their device ecosystems.

Content Providers' Community Operations

We place importance on our relationships with content providers and are committed to developing a globally integrated community ecosystem. We have established and operate multiple professional content provider communities, including 500px.com for photographers, ishijue.com for designers, VJshi.com for video creators, and cgmodel.com for 3D/CG creators, each of which provides a platform for content providers to share, interact and collaborate. As of December 31, 2025, our communities had accumulated over 40 million registered members, covering major countries and regions globally, forming a substantial pool of potential content providers.

Through our platforms, we provide content providers with access to a range of resources and monetization opportunities. Leveraging our diversified customer base and project pipeline, content providers are able to participate in various content creation and marketing initiatives, through which they apply their creative capabilities to meet specific customer requirements and generate income. We further leverage our content provider communities by integrating content resources with campaign planning and execution capabilities to serve customers across industries, including consumer electronics, automotive, consumer goods, financial services and culture and tourism. Our services typically include: (i) organizing crowdsourcing contests and thematic content campaigns, through which content providers are invited to create and submit content based on customer requirements, enabling them to access project opportunities and monetize their works, while providing customers with a diverse range of content options; and (ii) supporting customers' marketing and promotional activities, where we publish relevant opportunities to content providers, who may participate in content creation, dissemination and campaign execution and receive corresponding remuneration.

Under these arrangements, content providers typically receive compensation based on agreed revenue-sharing mechanisms, including a share of content sales proceeds, service fees or incentive rewards, where applicable. We also generate revenue through membership fees from members on the international *500px.com*.

Key Operating Data

The following table sets forth key metrics of our content licensing services for the years indicated:

	Year ended December 31,								
	2023			2024			2025		
	Number of customers	Customer retention rate[1]	Net dollar retention rate[2]	Number of customers	Customer retention rate[1]	Net dollar retention rate[2]	Number of customers	Customer retention rate[1]	Net dollar retention rate[2]
KA customers[3]	776	83.0%	83.6%	724	80.2%	91.5%	631	77.6%	81.7%
Others[4]	241,315	46.4%	73.9%	225,290	46.8%	74.5%	216,710	49.5%	76.2%
Total	242,091	46.6%	79.8%	226,014	46.9%	84.3%	217,341	49.6%	79.6%

Notes:

(1) Customer retention rate is calculated by dividing the number of customers with repeat purchase (customers who made purchases from us in both the current and preceding years) in the current year by the total number of customers in the previous year, multiplied by 100% to get the percentage.

(2) Net dollar retention rate equals the revenue (VAT included) in the current year from customers with repeat purchase divided by the revenue (VAT included) generated in the previous year, multiplied by 100% to get the percentage.

(3) KA customers refers to customers with annual spending of RMB100,000 or above.

(4) Others refers to all customers excluding KA customers for the relevant year.

While customer retention metrics were affected by changes in customer procurement patterns and marketing spending during the Track Record Period, our KA customer base continued to demonstrate a relatively high level of retention, with retention rate of 83.0%, 80.2% and 77.6% in 2023, 2024 and 2025, respectively. We believe this reflects the value of our content assets, long-standing customer relationships and ability to serve customers' evolving content needs. Looking ahead, we intend to continue enhancing our content licensing services through the integration of AI-enabled functionalities, structured data capabilities and rights-cleared content resources. We believe that evolving regulatory and commercial requirements relating to AI-generated content will increase demand for compliant, traceable and commercially reliable content solutions, positioning us to strengthen customer engagement and capture new opportunities arising from the ongoing transformation of the content industry.

The following table sets forth key metrics of our content customization services for the years indicated:

	Year ended December 31, 2023	2024	2025
Number of customers during the year	110	96	116
Number of new customers(1)	51	45	53
Cumulative customers served	395	429	467
Average customer value(2) (RMB'000)	1,461	1,808	1,912
No. of contracts that recognized revenue during the year	529	517	625
Order backlog at the end of year (RMB in millions)	46.2	41.3	25.5
Customer retention rate (%)(3)	50.9	46.4	65.6
Net dollar retention rate (%)(4)	81.8	94.8	99.0

Note:

(1) Number of new customers equals the number of customers in the current year who did not contribute revenue in the previous year.

(2) Average customer value for a given period is calculated by dividing total contract value of projects delivered in that year by the number of customers for the same year.

(3) Customer retention rate is calculated by dividing the number of customers with repeat purchase (customers who made purchases from us in both the current and preceding years) in the current year by the total number of customers in the previous year, multiplied by 100% to get the percentage.

(4) Net dollar retention rate equals revenue (VAT included) in the current year from customers with repeating purchase divided by the revenue (VAT included) in the previous year, and multiplied by 100% to get the percentage.

The following table sets forth the backlog of our projects in content customization services for the years indicated:

	Year ended December 31, 2023		2024		2025	
	Number of projects	Contract value	Number of projects	Contract value	Number of projects	Contract value
	#	*RMB'000*	#	*RMB'000*	#	*RMB'000*
At the beginning of the year	250	67,274	188	46,219	142	41,313
Newly secured projects	467	139,663	471	168,683	552	205,993
Project delivered	529	160,717	517	173,589	625	221,194
At the end of the year	188	46,219	142	41,313	69	25,512

The key operating metrics of our content customization services demonstrate the continued expansion of this business. During the Track Record Period, average customer value generally increased, reflecting growing customer adoption of our content customization solutions and our ability to deliver higher-value services. In particular, the average customer value increased from RMB1.5 million in 2023 to RMB1.9 million in 2025 and the number of newly secured projects increased from 467 in 2023 to 552 in 2025, reflecting the robust growth of our content customization business and providing visibility into future revenue generation.

We believe the continued growth of our content customization services has been supported by the integration of AI technologies into our workflow, which has enhanced service efficiency, shortened delivery cycles and expanded the range of application scenarios that we can serve. Looking ahead, we intend to further integrate AI capabilities, content resources and industry expertise into our service offerings. We believe the increasing demand for customized, compliant and commercially reliable content solutions, together with our growing customer base and order backlog, will continue to support the development of our content customization services.

OUR CUSTOMER OUTREACH AND SERVICE NETWORK

We have established an integrated customer outreach and service network to support the delivery of our service offerings to customers around the world. In Chinese Mainland, we directly provide content licensing services, content customization services and value-added services to customers. We do not generally provide services directly to customers located outside Chinese Mainland, nor do we maintain a dedicated overseas sales team. Instead, we primarily rely on collaboration with international partners to reach and serve overseas customers. These partners include global news agencies such as the Associated Press and Agence France-Presse, as well as visual content agencies and distribution platforms such as Getty Images, Newscom, IMAGO and AFLO. Under such arrangements, we license certain content to these partners, who distribute and, where applicable sublicense, such content to their customer base in overseas markets. Such arrangements typically set out the scope of authorized content, permitted territories, distribution and sublicense rights, revenue-sharing mechanisms and the respective responsibilities of the parties. In particular, we are generally responsible for the content rights and authorization status of the content we license to international partners, while such partners are generally responsible for their own distribution activities and customer relationships in the relevant overseas markets, in each case subject to the terms of the relevant agreements. We typically receive licensing fees and, where applicable, royalties based on the downstream commercialization of such content in accordance with the relevant arrangements.

During the Track Record Period, we generated revenue from Chinese Mainland and overseas markets. Our revenue from overseas markets primarily includes license fees and royalties paid by overseas partners and membership fees of our 500px photographer platform. Our revenue from Chinese Mainland remained relatively stable at RMB732.4 million, RMB763.9 million and RMB733.4 million in 2023, 2024 and 2025, respectively. Our revenue from overseas remained relatively stable at RMB48.4 million, RMB47.2million and RMB45.0 million in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our revenue by geographical location in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	732,435	93.8	763,936	94.2	733,428	94.2
Overseas[1]	48,395	6.2	47,248	5.8	45,042	5.8
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Note:

(1) Revenue from overseas customers, primarily in the United States, United Kingdom, Germany and Japan.

Customer Engagement and Services

In the PRC, we deliver content licensing services through four platforms: VCG, CFP, VJshi and ImageShop as well as through our API-based services. We provide content customization and other value-added services mainly through our key account team.

Our Customer Engagement

As of December 31, 2025, our sales and marketing team comprised 159 professionals with broad industry insights, and our customer outreach and service network covered major commercial hubs in the PRC, primarily including Beijing, Shanghai, Guangzhou Shenzhen, Chengdu, Wuhan, Changzhou and Tianjin, enabling us to provide responsive services to customers across key regions.

We acquire and engage customers for our licensed content services through a diversified approach combining direct outreach, ecosystem partnerships, industry engagement and content-driven marketing initiatives. We convert inbound demand through dedicated teams handling customer inquiries across our official website, customer service channels and other communication interfaces, while also conducting targeted outbound initiatives focused on key industries and customer segments. Meanwhile, we expand our customer reach by integrating our content services into widely used software and digital platforms, embedding our offerings into users' workflows and enabling scalable acquisition through collaboration-based arrangements. We further strengthen customer trust and market presence through participation in industry associations, professional organizations and industry events, while leveraging customer referrals and demonstrated success across multiple industries.

For our content customization services, our customer acquisition strategy focuses on deep penetration of selected industries and the development of benchmark projects with leading customers, which serve as demonstrative cases to attract additional customers within the same sectors. By successfully delivering high-quality customization services to industry leaders, we establish reference cases that generate follow-on demand and enhance customer conversion through peer recognition and project credibility. This approach is supported by our established market reputation, recognized brand positioning and our ability to ensure consistent execution quality through integrated resource management. We also coordinate and manage a broad network of high-quality creative resources, including directors, photographers, post-production teams and production companies, enabling efficient delivery of consistently high-standard outputs and supporting ongoing customer engagement.

Our Customer Service

We have established a professional and responsive customer service team, organized into several specialized groups. These specialized groups consist of members and contacts from different departments to ensure that customer requirements are accurately understood and addressed in a timely and effective manner. For example, for our content customization services, we have set up a team comprising members from the customer relationship and production teams. The customer relationship team serves as the primary customer interface, while the production team provides professional insights and technical expertise, aiming to ensure that customized services are delivered to the highest standards.

We have established multiple channels to collect customer feedback, including a dedicated complaint hotline and direct reporting mechanism. All complaints received are promptly forwarded to the specialized team responsible for the relevant region for analysis and resolution based on the nature of the issue. The handling results are subsequently reported to our management team for review. We attach particular importance to customer complaints related to copyright matters and have adopted an accelerated resolution process involving cross-functional participation from our legal, production and content review teams.

Typical Agreements with Our Customers

The salient terms of our agreements with content users vary upon the nature of services provided. The salient terms of our agreements with customers related to content licensing services are set forth below:

- ***Duration***: typically with a term of one-to-three years.

- ***Principal rights and obligations***: For end-user customers, we are responsible for licensing content for their internal use or specified commercial or editorial purposes. The scope of use is defined in the relevant agreements. Unless otherwise agreed, customers are not permitted to resell, assign, redistribute, sublicense or otherwise make the licensed content available to any third party. For distribution or licensing partners, we may grant rights to distribute, sub-license or otherwise exploit the licensed content within agreed territories, channels and scope of use. The specific rights granted, including any rights to further license or distribute the content, are subject to the terms and conditions set forth in the relevant agreements.

- ***Pricing:*** The price varies based on factors such as the licensing type, geographic scope, duration of use, number of use and specific sizes.

- ***Charging models***: Depending on the applicable pricing and charging model, our charging model generally includes: (i) fixed annual fees under package model contract, (ii) usage-based fees settled on a monthly or quarterly basis under framework agreements and (iii) per-item pricing for individual pieces of content under per-transaction payments.

- ***Payment and credit terms***: For agreements involving a credit period, we typically grant a credit period of up to 180 days.

- ***Termination***: Either party may terminate the agreement for cause, such as a breach of contract. Additionally, the agreement can generally be terminated upon mutual agreement.

The salient terms of our agreements with customers related to content customization services are set forth below:

- ***Scope and description of services***: We are responsible for providing customized content in accordance with the customer's instructions and designating a dedicated team to coordinate and manage the service execution. The agreement will specify the quantity, format and usage of the deliverables.

- ***Pricing and payment***: The fees are negotiated on a project-by-project basis, taking into account the nature and quantity of the deliverables and other relevant factors.

- ***Payment and credit terms***: We typically require the customer to settle the payment in full within 30 days of their accepting the customized content deliverables.

- ***Intellectual property rights***: We typically grant the customer a one-year, worldwide media usage right in respect of the customized content. We are responsible for ensuring that the customized content delivered does not infringe any copyright or other third-party rights.

- ***Termination***: Either party may terminate the agreement for cause, such as a breach of contract. Additionally, the agreement can generally be terminated upon mutual agreement.

OUR CONTENT ADMISSION, REVIEW AND MANAGEMENT

We have established a comprehensive content review and intellectual property protection framework covering the full lifecycle of content, aiming to ensure that content provided by us complies with applicable laws and regulations, has clear ownership, and maintains high content quality.

Content Admission and Review Workflow

All content is subject to a unified review process prior to publication. Through this process, we identify and address potential compliance issues, inappropriate content and rights-related risks before content is made available on our platforms. The key steps include:

- ***Upload and initial processing***: Content providers upload content together with associated metadata, including title, description and keywords;
- ***Tiered review procedures***:
  - o *AI screening*: Our AI tools perform initial compliance checks and risk identification;
  - o *Manual review*: Our dedicated content review team conducts real-time and ongoing review and monitoring of content;
- ***Rights criteria***:
  - o *Copyrights review*: We verify copyright ownership, or associated authorization status of the uploaded content through various measures. See "— Intellectual Property Compliance Management."
  - o *Quality review*: We deployed an aesthetic evaluation model to conduct multidimensional analysis of content quality. This model evaluates content across various dimensions, including composition, resolution, color, authenticity and commercial applicability, and assigns quantitative rankings to support content screening, recommendation and display optimization.
- ***Review outcome determination***: Content is either approved, returned for modification, rejected or escalated for further review. Only content passed our review procedures can be accepted into our content datasets.
- ***Annotation and labeling***: We annotate content through the combined efforts of AI and expert team to transform raw assets into structured multi-dimensional data, enabling efficient indexing, retrieval and downstream AI applications. We label each piece of content by tagging attributes such as provider type, geographic location and descriptive keywords, to enhance searchability, matching accuracy and commercial reliability. For content involving special rights categories (such as editorial-use materials and public domain works), we apply separate labels to clarify to users.
- ***Content Processing***: We may further adjust or optimize the format, resolution and size of images, to ensure consistency, adaptability across different use cases and commercial usability.
- ***Display***: We upload content that has undergone review, annotation, labeling and processing to our platforms for display and distribution to customers.

Management of Inappropriate or Illegal Content

Compliance risks may arise in relation to our ongoing monitoring on inappropriate or illegal content, see "— Legal Proceedings and Compliance Matters — Compliance." We leverage both AI and manual review procedures to manage, monitor and remove inappropriate or illegal content from our platform.

- ***AI screening***: our AI tools conducts initial screening of newly uploaded content by analyzing images, videos and associated textual metadata, and comparing them against internally maintained rule sets. Content that may contain illegal or inappropriate elements is flagged, categorized according to risk level and escalated for further manual review.

These rule sets are regularly updated to reflect evolving regulatory requirements and operational practices, with particular focus on policy-sensitive content, prohibited content such as violence and gambling and content involving personal information.

- ***Manual review***: content flagged by AI tools is subject to further review by our content review team. The team evaluates such content from the perspectives of compliance, sensitivity, copyright status and risk classification. For content involving highly sensitive areas, such as national security, public order or personal data protection, we apply enhanced review procedures, including additional round of review by designated personnel prior to publication.

Following publication, we continue to monitor content through reporting channels, customer feedback and internal monitoring mechanisms. Content involving significant sensitivity such as terrorism-related content may trigger immediate removal actions. We may also conduct targeted or thematic reviews where necessary to further assess potential risks. To support the effective implementation of these procedures, we provide onboarding and periodic training to our content review personnel to ensure familiarity with applicable regulatory requirements and policy updates.

INTELLECTUAL PROPERTY COMPLIANCE MANAGEMENT

To support the operation of our content service business across multiple content sources, content types, application scenarios and jurisdictions, we have established an intellectual property management framework covering the entire content lifecycle, including sourcing, review, structuring and distribution.

Content Sourcing and Rights Review

At the content sourcing stage, we manage the origin and status of rights through contractual undertakings from providers, together with tiered verification procedures.

- ***Contractual Undertakings:*** Our agreements with content providers require them to represent that they are the copyright owner of the relevant content or have obtained full, valid and effective authorization. Content providers are also required to undertake that the content they provide does not infringe any third-party rights, including copyrights, portrait rights, trademark rights or other legal rights, and that such content is free from any defects or restrictions in rights. In certain agreements, Content providers further undertake to indemnify us for any claims, losses or liabilities arising from defects in title or infringement in respect of the content they provide.

- ***Verification of Content providers***

  - *Copyright partner institutions:* We focus on the completeness of the authorization chain and the legality of content provided by copyright partner institutions. We verify the legal status of the institution and review its content sources, including whether the content is original or sourced through distribution arrangements. We also review whether any third-party rights have been obtained. Institutions are required to provide clear authorization chains and are responsible for any defects in rights under their agreements with us.

  - *Individual content providers:* We focus on the originality and authenticity of content provided by individual content providers. At the onboarding stage, we assess their creative capability, including content quality, stylistic consistency and production continuity. We then use cross-platform searches and reverse image recognition tools to identify whether content has been previously published elsewhere or whether there are inconsistencies in ownership. For content showing abnormal characteristics such as high similarity to existing content, inconsistent source information or lack of creation history, we require them to provide RAW files or other materials evidencing the creation process.

- ***Right Review:*** Before content is made available on our platform, it is subject to a tiered review process.
  - *Copyright and Duplication Checks:* We use hash fingerprinting and AI-based image recognition to extract features from uploaded content and conduct similarity analysis. This allows us to identify content that is highly similar or identical to existing content on our platform or from other sources.
  - *Third-party Rights Identification and Handling:* We identify whether content contains recognizable portraits, buildings or other elements that may involve third-party rights, including portrait rights or property rights. For content involving such rights, (i) content with complete authorization may be published, (ii) content with incomplete or unclear authorization is subject to additional documentation or usage restrictions and (iii) content with unverified rights or identified risks is rejected or removed.
- ***Metadata and Rights Tagging*:** Once review is completed, we classify and register each item of content, including its content type, authorization scope, geographic scope, permitted use and applicable restrictions. This information is recorded in our system as structured data and forms the basis for subsequent rights management.

Rights Chain Management and System Control

Following ingestion, rights-related information is managed through our internal systems.

- ***Structured Representation of Rights*:** For each content item, we record authorization type, licensing model, permitted use, geographic scope, duration and third-party rights status as structured fields in our content management and review systems. These fields are derived from upstream agreements with content providers and are embedded into the content metadata at the time of onboarding.
- ***Matching of Authorization and Usage*:** During distribution, our system links content-level rights fields with customer-level authorization conditions. Content availability is automatically filtered based on usage type, customer type and agreed licensing scope. This ensures that downstream authorization remains consistent with upstream rights and prevents out-of-scope licensing.
- ***Adjustment of Permissions*:** Where authorization status changes (including expiry, termination of cooperation or modification of authorized scope), the relevant rights fields are updated in the system. Corresponding content access, licensing and download permissions are adjusted in real time to restrict further use or distribution.

Licensing and Use Management

We manage customer use of content through a combination of authorization allocation, contractual terms and system controls.

- ***Content Selection and Access*:** Access to content is controlled based on customer type and intended use. Certain categories of content are further restricted to specific types of users.
- ***Definition of Authorization Scope*:** Authorization scope is defined in standard agreements, including use purpose, duration, territory and usage restrictions. These contractual terms are synchronized with system-level controls, ensuring that actual content use is limited to the agreed scope.

Intellectual Property Protection Support for Content Providers

We provide certain intellectual property protection support to content providers. When original content is uploaded, our system records key ownership information and generates timestamped records to support rights verification. After publication, we conduct similarity and duplication checks to new content uploaded to our platforms, to identify potential infringement risks. Where potential infringement is identified and the content provider elects to pursue further action, we may assist in coordinating with third-party service providers, such as legal or intellectual property service institutions, supporting documentation preparation and facilitating communication, to enable the rights protection process.

RESEARCH AND DEVELOPMENT

Our Research and Development Capabilities

We advance our technological capabilities through a combination of in-house development, strategic collaborations and investments. With respect to our in-house development capabilities, we have established a research and development team with a focus on AI and visual content technologies, covering key areas such as multimodal understanding, multimodal generative technologies and AI agents. Our research and development team works closely with our content production and business application teams, incorporating feedback from various downstream business scenarios. Through such cross-functional integration, we continuously refine models and product functionalities across key dimensions, including content review efficiency, content matching accuracy, search efficiency, recommendation relevance and product functionality adaptability, thereby enabling efficient translation of technological capabilities into practical applications. As of December 31, 2025, our research and development team consisted of 122 personnel, representing 26.2% of our total employees. Our research and development expenses amounted to RMB99.1 million, RMB72.7 million and RMB73.0 million, in 2023, 2024 and 2025, respectively. Furthermore, we engage in strategic investments and partnerships with companies specialized in AI models and applications worldwide to acquire critical technological capabilities, expand application scenario and enhance business synergies.

Our Research and Development Achievements

We have developed an integrated technology framework covering the full lifecycle of content review, upload, distribution and creation. Through AI-assisted review and tagging capabilities, we enable automated content classification, compliance review and quality, thereby improving the efficiency and accuracy of copyright protection. In parallel, our search and matching technologies enhance the precision of content matching and personalization, while streamlining content production workflows, thereby improving user experience and overall operational efficiency.

Key Technologies in Content Input Stage

At content input stage, we have promoted centralized management and standardized execution of review processes, while improving automation and accuracy in content recognition, tagging and risk screening, thereby enhancing overall content governance and compliance effectiveness on our platform. See "— Our Content Admission, Review and Management." Key technologies in the content input stage include:

- ***Intelligent Content Review.*** Our platform integrates review capabilities across multiple content platforms and supports flexible allocation of AI-assisted review resources and configuration of review workflows based on content types, risk levels and downstream scenarios. It addresses fragmentation across different content platforms and improves consistency and efficiency in review process.

- ***Automated Content Tagging.*** Building on integrated visual recognition capabilities, our platform automatically generates tags, labels, titles and content attributes at the content input stage. It combines multidimensional intelligent scoring mechanisms with manual review procedures to ensure high-quality and accurate content input and upload.

Key Technologies in User Facing Stage

To better match user needs and improve content production and delivery efficiency, we focus our technology development on enhancing content search, recommendation and related process management, improving the accuracy of content matching and increasing efficiency in content discovery and selection. Moreover, they support more efficient content creation and project execution by streamlining workflows. See "— Our Service Offerings — Content Licensing Services — Application of AI Technologies in Our Content Licensing Services" and "— Our Service Offerings — Content Customization Services — Our AI-Assisted Integrated Service Model." Key technologies in the user facing stage include:

- ***Intelligent Search and Recommendation.*** We build multimodal user profiles and content feature models, and leverages collaborative filtering, content similarity algorithms, and semantic understanding to deliver real-time personalized recommendations. It focuses on matching users with the most relevant content based on their preferences and behavior. Anchored around large language model and multimodal search technologies, our inspiration extension model interprets user intent and expands initial queries through semantic understanding. It integrates exact and semantic matching with reranking models to transform abstract inputs into structured search results, and generates inspiration prompts beyond direct matches. This expands the search space and enables iterative exploration, significantly improving efficiency in discovering relevant inspirations. Collectively, these capabilities enhance matching accuracy, streamline content discovery and selection, and support higher conversion and repeat purchase rates.

- ***Intelligent content generation and editing.*** We have integrated intelligent content generation and editing capabilities into both our content licensing services and content customization services: (i) for content licensing services, our capabilities include AI-empowered one-click video generation, enabling automated and scalable assembly of structured video outputs from licensed assets based on user inputs, with built-in controls to ensure consistency and compliance; and (ii) for content customization services, we have developed an internal design support tool, *Veer*, which is embedded across content production processes to support concept development, draft generation and iterative refinement. Together, these capabilities support higher project throughput and improve monetization through increased capacity utilization and more efficient client project execution.

OUR BRANDING AND MARKETING

We have been retaining and expanding our market share by providing high-quality content since our establishment, and we have cultivated a deep and diverse content library well recognized in the industry. We implement various branding and marketing measures to promote our brand awareness among existing and potential customers, including:

- ***For online marketing***, we leverage multiple digital channels, such as social media platforms and web browsers, and collaborate with mainstream media and corporate customers to organize photography, short-form video and design competitions. In addition, we provide customized lock-screen wallpaper services to leading domestic smartphone manufacturers, through which we achieve hundreds of millions of daily brand exposures.

In certain cases, content users may choose to credit our platforms as the source of the content in their outputs. Such attribution may signal that the content is sourced from a compliant and rights-cleared platform. At the same time, this enhances the visibility of our brand, increases market recognition and reinforces users' perception of the quality and compliance of our content.

- ***For offline marketing***, we actively participate in initiatives such as organizing content provider community activities and planning professional imaging publications. We partner with media companies to build an extensive offline brand display network in airports, subways, high-speed rail stations and key urban business districts, achieving brand exposures.

MAJOR CUSTOMERS AND SUPPLIERS

Our Major Customers

During the Track Record Period, our customers mainly consisted of news media, brands, internet companies and advertising agencies. Revenue from our five largest customers in 2023, 2024 and 2025 was RMB172.8 million, RMB192.3 million and RMB187.4 million, respectively, representing 22.1%, 23.7% and 24.1% of our total revenue for the same respective years. The tables below set forth the details of our five largest customers by revenue in each year during the Track Record Period.

Year ended December 31, 2023

Customer	Solutions/services provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Customer A[(1)] . .	content customization services, content licensing services	70,369	9.0	2006	30 days	Bank transfer
Group X[(2)].	content licensing services	37,715	4.8	2010	30 days	Bank transfer
Customer B[(3)]. . .	value-added services, content licensing services	29,165	3.7	2008	30 days	Bank transfer
Customer C[(4)]. . .	content customization services, content licensing services	19,099	2.4	2010	30 days	Bank transfer
Customer D[(5)] . .	content licensing services	16,481	2.1	2006	30–45 days	Bank transfer
Total		**172,829**	**22.1**			

Notes:

(1) A group of subsidiaries or affiliates of an information communication and technology enterprise.

(2) A group of subsidiaries or affiliates of a global visual content licensing platform listed on the New York Stock Exchange.

(3) A group of subsidiaries or affiliates of a leading global internet technology company listed on the New York Stock Exchange and the Hong Kong Stock Exchange.

(4) A group of subsidiaries or affiliates of a global intelligent device company.

(5) An group of subsidiaries or affiliates of an AI technology company listed on the NASDAQ and the Hong Kong Stock Exchange.

Year ended December 31, 2024

Customer	Solutions/services provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Customer A	content customization services, content licensing services, value-added services	85,561	10.5	2006	30 days	Bank transfer
Group X	content licensing services	36,472	4.5	2010	30 days	Bank transfer
Customer C	content customization services, content licensing services	27,195	3.4	2010	30 days	Bank transfer
Customer E(6) . . .	content customization services, content licensing services, value-added services	23,653	2.9	2020	30 days	Bank transfer
Customer D	content licensing services	19,438	2.4	2006	30–45 days	Bank transfer
Total		**192,318**	**23.7**			

Note:

(6) A group of subsidiaries or affiliates of a global smart device technology company.

Year ended December 31, 2025

Customer	Solutions/services provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Customer A	content customization services, content licensing services	105,184	13.5	2006	30 days	Bank transfer
Group X	content licensing services	34,992	4.5	2010	30 days	Bank transfer
Customer D	content licensing services	16,500	2.1	2006	30–45 days	Bank transfer
Customer C	content customization services, content licensing services	16,018	2.1	2010	30 days	Bank transfer
Customer F(7) . . .	content customization services	14,747	1.9	2015	30 days	Bank transfer
Total		**187,441**	**24.1**			

Note:

(7) A brand marketing service provider.

To the best of our knowledge, our five largest customers in each year during the Track Record Period were all Independent Third Parties. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest customers in each year during the Track Record Period.

Our Major Suppliers

During the Track Record Period, our suppliers mainly consisted of content providers, customization service providers, as well as providers of technology and operational services. Purchases from our five largest suppliers in each year during the Track Record Period were RMB99.3 million, RMB81.6 million and RMB80.2 million, respectively, representing 19.3%, 14.9% and 14.0% of our total purchases for the same respective years.

The tables below set forth the details of our five largest suppliers by purchase amount in each year during the Track Record Period.

Year ended December 31, 2023

Supplier	Solutions/services purchased	Purchase amount	% of total purchase	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Group X	content licensing services	42,577	8.3	2005	30 days	Bank transfer
Supplier A[(1)] .	technology services	22,156	4.3	2023	due upon issuance of invoice	Bank transfer
Supplier B[(2)]. .	content customization services	14,178	2.8	2022	15 days	Bank transfer
Supplier C[(3)] .	technology services	10,484	2.0	2018	seven days	Bank transfer
Supplier D[(4)] .	content customization services	9,902	1.9	2021	15 days	Bank transfer
Total		**99,297**	**19.3**			

Notes:

(1) A technology service provider.

(2) A provider of creative image design solutions.

(3) A technology service provider.

(4) A provider of graphic design and brand visual services.

Year ended December 31, 2024

Supplier	Solutions/services purchased	Purchase amount	% of total purchase	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Group X	content licensing services	36,395	6.6	2005	30 days	Bank transfer
Supplier B	content customization services	15,390	2.8	2022	15 days	Bank transfer
Supplier D	content customization services	10,576	1.9	2021	15 days	Bank transfer
Supplier C	technology services	9,904	1.8	2018	seven days	Bank transfer
Supplier E[(5)]. . . .	content customization services	9,286	1.7	2020	ten days	Bank transfer
Total		**81,551**	**14.9**			

Note:

(5) A provider of advertising and marketing solution services.

Year ended December 31, 2025

Supplier	Solutions/services purchased	Purchase amount	% of total purchase	Year of commencement of business relationship	Credit terms	Payment method
		(RMB'000)				
Group X	content licensing services	31,786	5.6	2005	30 days	Bank transfer
Supplier D	content customization services	13,855	2.4	2021	15 days	Bank transfer
Supplier F[(6)]. . . .	technology services	12,747	2.2	2020	15 days	Bank transfer
Supplier B	content customization services	11,403	2.0	2022	15 days	Bank transfer
Supplier C	technology services	10,428	1.8	2018	seven days	Bank transfer
Total		**80,219**	**14.0**			

Note:

(6) A brand marketing service provider.

The salient terms of our agreements with content providers related to content licensing services are set forth below:

- ***Duration:*** The agreement typically has a term of three years.
- ***Scope of content***: Content providers shall provide images, videos, audio files and 3D/CG models and other related materials as defined in the agreement. The specifications of such content, including their quantity, nature and format are set in the agreement.
- ***Intellectual property rights:*** The content provider shall grant us a license to distribute and sell the products through designated platforms. The content provider may also authorize our customers and us to use such content for further editing and usage. In particular, the content provider may grant (i) an exclusive license, under which the content provider shall not authorize any third party to provide products identical or substantially similar to those licensed to us; and/or (ii) a non-exclusive license, under which the content provider may sell content identical or substantially similar to third parties, provided that the content provider should inform us in advance all other contracted distribution channels with third parties, and any newly added distribution channels shall be promptly reported to us.
- ***Revenue sharing:*** We share revenue with the content provider based on our actual sales, after deduction of all applicable service fees and taxes incurred by us.
- ***Payment and credit terms:*** For agreement entered into with institutional content creator, we typically settle on a quarterly basis, with amounts typically paid within 90 days following each quarter-end. For agreement entered into with an individual content provider, we typically settle the payment on a monthly basis, with amounts typically paid within 30 to 90 days following each month-end.
- ***Liability and termination:*** In the event of a breach by either party, the non-breaching party shall be entitled to claim compensation for all losses incurred as a result of such breach; provided, however, that our total liability for liquidated damages shall not exceed 50% of the revenue share payable under the agreement for the first year following execution. In addition, if any breach remains uncured within a reasonable period following written notice from the non-breaching party, the non-breaching party shall have the right to suspend performance of, or terminate, the agreement.

In connection with our content customization business, we have established relationships with a diversified network of external production and service providers. These include photographers, videographers, models, post-production vendors, creative agencies and providers of production resources such as studios, locations and equipment. This network enables us to source and coordinate suitable creative and production resources for different project needs, supporting efficient execution of content customization projects. Through this approach, we are able to maintain an asset-light and scalable operating model while ensuring timely delivery and flexibility in meeting customer requirements. The salient terms of our agreements with content providers related to content customization services are set forth below:

- ***Duration***: The term of the agreement shall be determined based on the duration of the relevant services as specified in the agreement, and shall automatically terminate upon completion and acceptance of the predefined deliverables.

- ***Scope of services***: The supplier is generally responsible for providing customized content in accordance with our instructions, ensuring that such content is duly licensed and compliant with applicable laws and regulations. The scope of the services shall generally include project planning, personnel arrangements, execution and post-production.

- ***Intellectual property rights***: All deliverables produced by the supplier, including proposals, scripts, project files and related materials generated in the course of service performance, together with all intellectual property rights therein worldwide, shall, upon creation, be exclusively owned by us. We shall have the right, without incurring any additional fees, to use, license, assign, modify, publish, distribute, and create derivative works from such deliverables in any manner. The supplier shall warrant that the deliverables do not infringe upon any third-party rights. Where any third-party materials are incorporated into the deliverables, the supplier shall ensure that such materials have been properly licensed and that the relevant third parties have granted the end users (our customers) a one-year, worldwide media usage right.

- ***Pricing and payments***: Fees are typically negotiated on a project-by-project basis, taking into account the nature, scope and quantity of the deliverables, as well as other relevant factors. Depending on the nature and timeline of services to be provided, we may settle the payment either (i) on one-off payment following the acceptance of the deliverables, or (ii) by instalments at each payment milestone, subject to our receipt of the relevant interim deliverables and final deliverables and completion of acceptance.

- ***Liabilities and termination***: Where any act or omission of the supplier results in the deliverables being incapable of being launched as scheduled or being removed from distribution platforms, the supplier shall promptly take remedial measures at its own cost. If any breach remains uncured within a reasonable period following written notice from the non-breaching party, the non-breaching party shall have the right to terminate the agreement. Notwithstanding the foregoing, we shall have the right to unilaterally terminate the agreement in the event that, after multiple revisions, the supplier's deliverables still fail to meet our acceptance criteria.

To the best of our knowledge, our five largest suppliers in each year during the Track Record Period were all Independent Third Parties. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any supply shortages that had a material adverse impact on our business, financial condition, or operating results. During the Track Record Period and up to the Latest Practicable Date, we have not breached any agreements entered into with our suppliers.

Overlapping of Major Suppliers and Customers

Group X, one of our five largest customers in each year during the Track Record Period, was also one of our five largest suppliers in each year during the Track Record Period. Group X contributed to 4.8%, 4.5% and 4.5% of our revenue in 2023, 2024 and 2025, respectively, and 8.3%, 6.6% and 5.6% of our purchase amount in the same years, respectively. Group X possesses extensive content resources and a well-established distribution network in overseas markets, while we have strong distribution capabilities and customer coverage in Chinese market, we collaborate based on our respective resource advantages across different geographies and channels and introduce and distribute content within the scope of our respective licensing arrangements.

Customer A, one of our five largest customers in each year during the Track Record Period, was also our supplier in each year during the Track Record Period. Customer A contributed to 9.0%, 10.5% and 13.5% of our revenue in 2023, 2024 and 2025, respectively, and 0.04%, 0.02% and 0.03% of our purchase amount in the same years, respectively. We primarily provided our content customization services, content licensing services and value-added services to Customer A during the Track Record Period. As a separate and independent matter, we also primarily procured technology services from Customer A.

Customer B, one of our five largest customers in 2023, was also our supplier in each year during the Track Record Period. Customer B contributed to 3.7%, 0.4% and 1.3% of our revenue in 2023, 2024 and 2025, respectively, and 2.0%, 1.8% and 1.8% of our purchase amount in the same years, respectively. We primarily provided our content licensing services and value-added services to Customer B during the Track Record Period. As a separate and independent matter, we also primarily procured technology services from Customer B.

Customer D, one of our five largest customers in each year during the Track Record Period, was also our supplier in each year during the Track Record Period. Customer D contributed to 2.1%, 2.4% and 2.1% of our revenue in 2023, 2024 and 2025, respectively, and 0.5%, 0.02% and 0.01% of our purchase amount in the same years, respectively. We primarily provide our content licensing services to Customer D during the Track Record Period. As a separate and independent matter, we also primarily procured technology services from Customer D.

Supplier D, one of our five largest suppliers in each year during the Track Record Period, was also our customer in 2023. Supplier D contributed to 1.9%, 1.9% and 2.4% of our purchase amount in 2023, 2024 and 2025, respectively, and 0.001%, nil and nil of our revenue in the same years, respectively. We primarily procure content customization services from Supplier D during the Track Record Period. As a separate and independent matter, we also primarily provided our content licensing services to Supplier D.

According to Frost & Sullivan, overlap between customers and suppliers is not uncommon in the visual content services industry and reflects its multi-sided market structure. Such overlap primarily arises from the reusability of visual content, the diversity of copyright ownership and licensing arrangements, and the fact that many market participants simultaneously act as users of third-party visual assets as well as creators or rights holders of visual content. During the Track Record Period, negotiations relating to our sales to and purchases from the overlapping customer-suppliers were conducted independently and were neither linked nor conditional upon one another. Our Directors confirmed that all such transactions were conducted in the ordinary course of business, on normal commercial terms, and on an arm's-length basis.

DATA PRIVACY AND PROTECTION

To support our services and in compliance with relevant legal and regulatory requirements, we will process users' personal information in the course of providing our services, including basic information such as account information, contact information such as mobile number or email address and user input data. We have implemented a comprehensive data security management framework covering the entire lifecycle of data collection, use, storage and transfer, which includes the following measures:

- ***Data collection***. We collect personal information in compliance with applicable laws and regulations only to the extent necessary to enable us to provide our services. All content providers and content users are required to accept the terms and conditions set out in the user agreement, including our privacy policies, or those stipulated in our contracts with content providers and users, prior to using our services.

- ***Data use.*** We have implemented a range of technical measures to strengthen data security, including data encryption, tiered data asset classification and management policies, role-based access control and monitoring of relevant logs. We have also established a set of management systems relating to network security, including security management systems, data backup and recovery systems, etc. In addition, we have implemented a full-process data security management system covering the entire data processing activities. With respect to personal information protection, we have also formulated relevant management systems. In particular, in respect of our AI training data services, we only provide data users with content expressly set out in the relevant procurement contracts and do not provide personal information for the purpose of model training. Where certain datasets are partially sourced from third-party procurement, we have also stipulated data security and protection requirements in the relevant agreements.

- ***Data storage***. Personal information and data collected and generated within the Chinese Mainland are stored within the Chinese Mainland. All data is retained only for the minimum period necessary and will be deleted upon expiry of the applicable retention period. We have also implemented relevant access controls to ensure data security.

- ***Cross-border data transfer***. Our data centers in Chinese Mainland and overseas are independently deployed, and overseas data centers do not process data collected or generated within the Chinese Mainland. Certain of our businesses involve cross-border data transfers, including (i) certain cross-border content agency services that involve the transfer of content providers' attribution information, where, upon request by the content providers, their attribution information is transferred cross-border for labeling purposes; we disclose such cross-border transfer arrangements to the content providers under relevant agreements; and (ii) outbound transfers through our *500px.com*, which involve user IDs and related content uploaded by the user onto the platform; we provide disclosures through the *500px.com* and obtain users' consent or have other legal bases prior to such transfers. As advised by our legal advisor in respect of data compliance matters, the estimated number of individuals whose information is subject to cross-border transfer (including providers attribution information and user information) for the year 2026 will not exceed 100,000; accordingly, we are exempted from the obligation to apply for a security assessment for outbound transfers, conclude a standard contract for the cross-border transfer of personal information, or obtain a personal information protection certification pursuant to the applicable laws and regulations in the PRC. In addition, we have adopted the Data Security Management Policy, which sets out the requirements for cross-border data transfers and governs our activities in this regard.

During the Track Record Period and up to the Latest Practicable Date, some of the services we provide are based on our algorithms and we had made the filing or registration in accordance with applicable regulatory requirements. As of the Latest Practicable Date, we had completed the filing of relevant algorithms, including the VCG Daxiang AI Image Generation Algorithm (視覺中國大像AI圖像生成算法), VCG Inspiration Drawing Algorithm (視覺中國靈感繪圖算法) and VCG Image Synthesis Algorithm (視覺中國圖像合成算法), and had also completed the generative AI service registration for the Inspiration Extension (靈感拓展) model. We have implemented organizational safeguards and technical control measures at the input, model and output levels in accordance with regulatory requirements applicable to AI applications.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not experienced any material violation of any mandatory requirements under applicable laws and regulations in respect of the collection, storage, use and protection of personal information, (ii) we had not been subject to any third-party claims alleging breaches of applicable data or privacy protection laws, (iii) we were not involved in, nor threatened with, any investigations or legal proceedings initiated by governmental authorities or third parties in relation to cybersecurity, data protection or personal information protection; and (iv) we had not experienced any material incidents involving the leakage of personal information in violation of applicable cybersecurity, data protection or personal information protection laws and regulations.

INTELLECTUAL PROPERTY

Intellectual property is critical to our success and competitiveness. We are committed to protecting intellectual property rights and we strive to continue playing a leadership role in improving intellectual property protection. As of December 31, 2025, we had registered 359 software copyrights, nine patents, 362 trademarks and 38 domain names in the PRC. We have also registered 77 trademarks and 55 domain names in other jurisdictions. See "Appendix VI — Statutory and General Information — Further Information about the Business — Intellectual Property Rights."

We adopt a proactive approach to manage our intellectual property portfolio, and to ensure that our intellectual property rights are effectively protected and managed throughout their entire lifecycle. See "— Intellectual Property Compliance Management." During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

COMPETITION

The visual content services market in China and globally has experienced steady growth in recent years. According to Frost & Sullivan, the visual content services market in China is projected to reach approximately RMB105.0 billion in 2030, representing a CAGR of approximately 12.1% from 2025 to 2030, with the visual content licensing services market projected to reach approximately RMB8.3 billion in 2030, representing a CAGR of approximately 5.5% from 2025 to 2030, and the visual content customization services market to reach approximately RMB96.7 billion by 2030, representing a CAGR of approximately 12.8% from 2025 to 2030. Specifically, the global visual content licensing services market is relatively concentrated while the market in China remains relatively fragmented. Market participants in both markets continue to differ in the breadth of their content libraries, licensing models, pricing strategies, customer coverage and distribution channels. We believe that our accumulation of a large-scale, high-quality content library, established and scalable business ecosystem, capabilities in delivering stable, customized, compliant and enterprise-grade services, as well as advanced service offerings, provide us with sustainable competitive advantages as the industry continues to evolve. See "Industry Overview."

SEASONALITY

Our content customization services are directly applied to customers' marketing initiatives, including brand building, advertising placement, product promotion and social media operations. As such, demand for our offerings generally aligns with key marketing milestones and the progression of customers' annual projects, and may be subject to seasonality. In particular, typically in the fourth quarter of a year, ahead of major promotional events and public holiday seasons, customers procure related services in advance to support concentrated promotional and marketing campaigns. In addition, customers tend to increase their investment in branding and marketing during critical phases and closing stages of their annual projects, which further shapes the timing of demand. As a result, our business performance may exhibit fluctuations across different quarters.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG Governance and Policies

Effective ESG management depends on a clear and efficient governance structure. We have established a tiered ESG governance system with well-defined responsibilities and collaborative mechanisms. As the highest ESG decision-making body, our Board of Directors comprehensively oversees and reviews ESG-related work proposals, including system formulation, objective setting and work implementation progress. The ESG execution team, which comprises relevant functional departments for each issue, serves as the executive level and is responsible for breaking down objectives and driving their implementation. Based on the ESG governance framework, we keep consolidating the ESG risk management mechanism. With all levels working together to regularly analyze and assess ESG-related risks and opportunities, we formulate an effective ESG risk response strategy in accordance with our business features.

We also periodically identify and assess ESG material issues based on changes in industry trends, external developments and stakeholder expectations, to determine the priorities of our ESG management. Our Board of Directors plays a key oversight and guidance role in the identification and prioritization of material ESG issues. Based on ESG issue identification and materiality assessments conducted by relevant departments, our Board of Directors reviews the results of such identification and assessments, and provides comments and recommendations on the scope of issues, assessment methodologies and outcomes, to ensure that such issues adequately reflect our business characteristics and the key concerns of stakeholders.

In determining the prioritization of material ESG issues, our Board of Directors exercises prudent judgment based on management's recommendations and a range of factors, including but not limited to industry sustainability disclosure practices, commonly identified ESG risks and opportunities within the industry, conclusions drawn from internal discussions and workshops, and, where appropriate, the views of external experts and professional advisers. On this basis, our Board of Directors confirms the final prioritization of material ESG issues to ensure alignment between ESG management priorities and our long-term strategy and sustainability objectives.

Environmental Matters

We are committed to reducing our environment footprint. Our impact on the environment is mainly associated with the consumption of electricity and water in our daily office activities.

Consumption of Resources

We adhere strictly to relevant laws and regulations, including the Energy Conservation Law of the People's Republic of China and the Water Law of the People's Republic of China. Our primary energy consumption stems from our offices. Through electricity management and assessment mechanisms, we encourage staff to implement energy-saving measures, requiring offices to promptly switch off lighting, air conditioning, photocopiers and other electrical equipment. We undertake energy-saving technical upgrades, adding photoelectric sensors to automated production lines to reduce lighting duration. Furthermore, our integrated energy management platform enables visualized monitoring of electricity usage, facilitating the implementation of energy-saving initiatives. Our water consumption primarily stems from the domestic usage of our staff. We actively encourage water conservation among staff, while documenting and reporting discovered instances of wasteful water usage. This is integrated into relevant performance management systems to foster continuous improvements in our management cycle.

The following table sets forth our use of resources for the years indicated:

	Unit	Year ended December 31, 2023	2024	2025
Water consumption	ton	3,358.9	2,661.7	2,873.0
Water consumption intensity	ton/employee	6.7	6.1	6.9
Electricity consumption	kWh	709,447.6	713,350.2	748,542.6
Electricity consumption intensity	kWh/employee	1,407.6	1,624.9	1,795.1

Environmental Protection

We have undertaken a variety of initiatives to improve our energy consumption efficiency and build a green, low-carbon workplace. For example, we strictly control the use of printing paper in all workplaces and encourage employees to print double-sided when possible, using recycled paper. We also post water conservation stickers, signs and posters in bathrooms, cafeterias and other places where employees congregate. Our physical office spaces in Chinese Mainland comply with applicable work safety and environmental protection standards.

In addition, we actively participate in biodiversity conservation efforts, using visual storytelling to help foster a positive social atmosphere where the whole of society jointly advances the protection of biodiversity. For example, we partnered with several local public affairs entities to organize the second Yellow River Estuary International Birdwatching Season Photo Contest in our *500px* photography community to innovate ecological conservation models, disseminate environmental protection concepts and promote avian knowledge. This initiative aims to contribute imaging power to the high-standard construction of the Yellow River Estuary National Park, advance ecological conservation and high-quality development in the Yellow River Basin and establish a global model for integrated land-sea protected areas.

Social Responsibility

We are dedicated to fulfilling our responsibilities as a corporate citizen and leveraging our market position to create a lasting positive impact on the visual content services industry.

Employees

We abide strictly by laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China and formulate and implement internal systems such as the Labor Contract Management Standard, holiday management manual and time management system to effectively protect the legitimate rights and interests of our employees. We have always adhered to the principle of equal employment, ensuring that the recruitment and hiring process is open, transparent and compliant. At the same time, we are resolutely eliminating forced labor and the use of child labor and effectively protecting the basic rights and interests of all workers. During the recruitment process, we also prohibit any form of discrimination based on characteristics such as gender, age, race, and are committed to upholding fair and equitable employment opportunities.

Public Welfare

We deeply integrate the fulfillment of social responsibility into our corporate development process and actively engage in public welfare initiatives and focus on rural revitalization, educational equity and cultural heritage preservation. For example, in 2024, we donated to the China Guanghua Science and Technology Foundation to support the Care for Children with Autism initiative. We also participated in public welfare programs such as the Carnation Health Program in Liangshan, Sichuan Province, focusing on adolescent education and health development. In addition, we collaborated with authoritative media and local governments to organize photography and short-form video initiatives that showcase local development and rural revitalization, supporting cultural initiatives and enhancing public engagement.

Talent Cultivation and Development

We strive to create a fair and inclusive workplace and hire based on merit, providing equal opportunities regardless of gender, age, race or other characteristics. In addition, we emphasize employee development and well-being through structured training, market-based compensation, dual career paths and long-term incentives. We offer comprehensive benefits beyond statutory social insurance, including supplementary insurance, health check-ups and living allowances, complemented by human-centered initiatives to foster a sense of belonging.

Intellectual Property Protection

We are committed to advancing the high-quality development of intellectual property protection. We actively engage in disseminating intellectual property knowledge to the public, aiming to foster awareness of intellectual property rights protection and contribute to the healthy environment of China's intellectual property system. For instance, we launched the first live streaming session of the Copyright Protection Online Public Welfare Initiative in collaboration with the Shanghai Vision Foundation and the China Guanghua Science and Technology Foundation to disseminate intellectual property protection knowledge and enhance college students' awareness of intellectual property protection. Since 2024, we have twice served as a co-organizer for the Copyright: From My Perspective campaign on the Xuexi Qiangguo learning platform, supporting initiatives aimed at enhancing copyright protection awareness.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. Our Board of Directors is responsible for ensuring that our Group establishes and maintains appropriate and effective risk management systems and internal control systems, overseeing the management in the design, implementation and monitoring of such systems and ensuring that a review of the effectiveness of such systems is conducted regularly.

We are committed to establishing and maintaining a robust set of risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations, and we are dedicated to continuously implementing and improving these systems to ensure our policies are effective and sufficient. To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, and will continue to adopt the risk management measures that include: (i) establish an Audit Committee to review and supervise our financial reporting process and internal control system; (ii) enhance our reporting and records system; (iii) establish a set of emergency procedures in the event of major issues and (iv) distribute employee handbooks to enhance employees' awareness of complying with laws and regulations. We have developed internal control policies and guidelines associated with our business processes that aim to ensure comprehensive governance and ethical business conduct. To ensure that compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we regularly review our internal control policies and procedures, adopt strict accountability internally and conduct compliance training. Our Directors are of the view that our internal control system is adequate and effective for our current operations.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

Legal Proceedings

From time to time, we may be involved in court, arbitral and administrative proceedings arising in the ordinary course of our business operations. See "Risk Factors — Risks Relating to Our Business and Industry — We may be involved in lawsuits, claims, disputes, regulatory investigations or legal proceedings in our ordinary course of business."

During the Track Record Period and up to the Latest Practicable Date, we were not and had not been a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse impact on our business, financial condition and results of operations.

Ongoing Legal Proceedings with Osports (Beijing) Culture Media Co., Ltd. ("Osports")

In July 2025 and December 2025, Osports filed two legal proceedings against Hanhua Yimei and our Company, seeking aggregate compensation of approximately RMB20.0 million. The claims arose from the display and distribution through our CFP platform, of content related to certain seasons of the CBA league. Osports alleged that Hanhua Yimei and our Company have adversely affected its competitive interests as the official supplier of the filming and distribution of CBA event images and therefore constitute unfair competition. In fact, the content involved in the legal proceedings was licensed to Hanhua Yimei and our Company by content providers, and we, in turn, granted our end-users editorial-use licenses for such content. As of the Latest Practicable Date, both the proceedings remained pending first instance trials before the relevant court.

Taking into account the advice of our PRC Legal Advisor that the relevant legal proceedings will not have a material adverse impact on our business operations, given that the claimed compensation amount in the proceedings represent a relatively small proportion of our net assets in 2025, our Directors are of the view that such ongoing proceedings will not have any material adverse impact on our business operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we were not and had not been involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse impact on our business, financial condition or results of operations.

Non-compliance Incident Relating to our Content Review before the Track Record Period ("Incident A")

On April 11, 2019, the Cyberspace Administration of Tianjin conducted an investigation into Hanhua Yimei. It was found that, while operating the VCG platform, certain content prohibited under applicable laws and regulations had not been timely identified and handled, constituting a violation of Article 47 of the then effective PRC Cybersecurity Law (2017). An administrative penalty in the form of a fine of RMB300,000 was imposed on Hanhua Yimei pursuant to Article 68 of the same law, which was fully settled on April 19, 2019. The Incident A primarily arose because we adopted a separate review approach back then, under which content and the associated keyword labels were reviewed separately rather than on an integrated basis. While both the content and the keyword labels were subject to review and were, on a standalone basis, considered compliant, the lack of an integrated review mechanism meant that the contextual appropriateness of the combination of images and labels was not assessed in a whole. As a result, certain combinations of otherwise compliant content and keyword labels gave rise to inappropriate or sensitive associations.

We immediately took the following rectification actions following the occurrence of the Incident A: (i) we voluntarily suspended the operation of the VCG platform on April 12, 2019, (ii) we promptly removed from the VCG platform content where the combination of content and the associated keyword labels was considered to give rise to inappropriate or sensitive associations, (iii) we enhanced our content review mechanism to require integrated review between content and their associated key word labels and (iv) we subsequently conducted a comprehensive review of our entire content database under the integrated review mechanism, and permanently removed content identified as non-compliant. Following the completion of internal review and assessment, we resumed the operation of the VCG platform on May 12, 2019.

Based on the foregoing, our PRC Legal Advisor is of the view that: (i) the rectification in respect of the Incident A had been completed as of May 2019, prior to the Track Record Period, (ii) the Incident A did not and will not have any material adverse impact on our business operations or financial performance, (iii) none of our Directors or senior management are disqualified from their positions under PRC laws and regulations as a result of the Incident A and (iv) during the Track Record Period, no further administrative penalties or investigations have been imposed on us in relation to the governance of visual content on our platforms.

In addition to the immediate rectification measures, we also enhanced our content compliance framework by strengthening both our review mechanism and on-going operational controls, including enhanced review mechanism, adoption of AI review, implementation of tiered manual review with enhanced oversight, strengthening of review capabilities and post-publication controls. We confirm that since the occurrence of the Incident A and up to the Latest Practicable Date, no similar incidents have happened. See "— Our Content Admission, Review and Management — Content Admission and Review Workflow" and "— Our Content Admission, Review and Management — Management of Inappropriate or Illegal Content." For risks relating to content compliance issues, see "Risk Factors — Risks Relating to Our Business and Industry — If any content is deemed to violate any applicable laws or regulations, or is considered inappropriate or offensive, our reputation and market recognition, business, financial condition and results of operations may be materially and adversely affected."

Non-compliance Incident Relating to the Deficiency in Obtaining License for Internet News Information Services before the Track Record Period (the "Incident B")

On December 10, 2019, the Cyberspace Administration of China required major platforms in the industry, including us, to suspend operation of platforms and undertake comprehensive rectification for reasons including (i) engaging in internet news information services without obtaining the requisite permit and (ii) cooperating with overseas entities in provision of internet news information services without conducting the required security assessment.

We implemented the following rectification measures: (i) we suspended the operation of the VCG platform on December 11, 2019 and commenced internal reviews and rectification, (ii) we promptly took measures to remove from the VCG platform all content relating to news information and (iii) we strengthened our internal control and provided training to relevant personnel to enhance their understanding of the applicable laws and regulations. Following the implementation of the foregoing rectification measures and the completion of our internal review and assessment, our VCG platform commenced trial operation on February 4, 2020 and resumed normal operation on March 20, 2020.

Our PRC Legal Advisor is of the view that: (i) the Incident B does not constitute a material violation of applicable PRC laws and regulations, (ii) during the Track Record Period, no administrative investigation or penalties have been imposed on us in connection with the Incident B and (iii) the Incident B did not and will not have any material adverse impact on our business operations. We confirm that since the occurrence of the Incident B and up to the Latest Practicable Date, no similar incidents have happened.

Our Directors are of the view that the Incident A and Incident B have no material adverse impact on our operation and financial conditions.

INFORMATION TECHNOLOGY

We have established information technology systems covering the key aspects of our operations to support our business processes and improve operational efficiency. Such systems include the business operating support system ("**BOSS**"), business intelligence ("**BI**") system, customer relationship management ("**CRM**") system, enterprise resource planning ("**ERP**") systems and human resources ("**HR**") system. These systems are developed or deployed to support functions such as content management, customer management, project execution, financial accounting and internal resource allocation. Our information technology team is responsible for the development, maintenance and optimization of these systems.

Our BOSS system serves as the core platform supporting our content licensing business. The BI system integrates data across our internal systems to support data analysis and decision-making. The CRM system facilitates customer lifecycle management, including lead generation, opportunity tracking and after-sales services. The ERP systems support the execution and management of project-based services, including budgeting, procurement and financial settlement, while the HR system supports human resources management and organizational planning. These systems collectively enhance operational efficiency, support data-driven decision-making and improve internal control capabilities. Such measures include information security management policies, data center management policies, IT operation and maintenance procedures, data backup and recovery policies, and network system security inspection procedures. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any information technology system failure or downtime that had a material adverse impact on our business operations.

EMPLOYEES

Our ability to recruit and retain qualified employees is critical to our continued success. As of December 31, 2025, we had 466 full-time employees, including 462 based in Chinese Mainland, three in Canada and one in the United States. The following table sets forth a breakdown of our employees by business function as of the same date:

Business Function	Number of Employees	Percent
		(%)
Sales and Marketing	159	34.1
Technical Development	145	31.1
Content Operation	64	13.7
Human Resources and Administration	39	8.4
Finance	34	7.3
Others	25	5.4
Total	466	100.0

Attracting, retaining and motivating qualified employees is critical to our success. We utilize various recruitment channels, including professional recruitment websites, campus recruitment and referrals to attract talent. We endeavor to motivate our employees by providing competitive salaries, comprehensive welfare packages and shares incentive schemes based on their performance and our financial results. We offer training for all employees from entry-level to senior management, including induction training programs for new joiners and management skills training programs for key personnel in management positions. We also provide regular and specialized training programs tailored to the specific needs of employees in different departments.

As required by relevant PRC laws and regulations, we participate in various employee social insurance plans in accordance with applicable PRC laws and regulations, including pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance as well as the housing provident funds. We also enter into employment contracts and agreements regarding confidentiality, intellectual property and non-competition with certain executive officers, managers and employees.

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 maintain insurance coverage over our daily operations. Our principal insurance policies primarily include liability insurance and litigation property preservation liability insurance, which we believe have covered major risks in our daily operations. In line with general market practices, we do not maintain certain policies that are not available in the locations in which we operate, or that are not generally required by laws or regulations. We believe that our insurance coverage is adequate for our business and in line with general market practice. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we have not made any material insurance claims in relation to our business.

PROPERTIES

Our headquarter office is located in Beijing, China. We lease properties in Chinese Mainland and Canada. 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.

Owned Properties

As of the Latest Practicable Date, we did not own any property in Chinese Mainland.

Leased Properties

As of the Latest Practicable Date, we leased seven properties in Chinese Mainland with an aggregate gross floor area of approximately 11,543 sq.m., which were primarily used for office premises. The leases generally have a term ranging from two to six years.

Pursuant to applicable PRC laws and regulations, lease agreements for properties are required to be registered with the relevant real estate administrative authorities. As of the Latest Practicable Date, we had not completed the requisite lease registration in respect of the six leased properties in Chinese Mainland. As advised by our PRC Legal Advisor, failure to complete such registration does not affect the validity or enforceability of the relevant lease agreements, nor does it require us to vacate the leased properties. However, we may be required by the relevant authorities to complete the registration within a prescribed period and, in the event of non-compliance, may be subject to fines ranging from RMB1,000 to RMB10,000 for each such lease agreement. During the Track Record Period and up to the Latest Practicable Date, we had not received any notice from the competent real estate administrative authorities requiring us to complete the lease registration within a specified time limit, nor had we been subject to any penalties imposed by such authorities in connection with the registration of our lease agreements. In light of the foregoing, our PRC Legal Advisor is of the view that the non-registration of such lease agreements would not have a material adverse impact on our business operations.

As of the Latest Practicable Date, we leased one property in Canada with an aggregate gross floor area of approximately 657 sq.ft., which were primarily used for office premise. The lease has a term of one year.

LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business. We have duly obtained the requisite licenses, permits, approvals and certificates from the applicable authorities that are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting during the Track Record Period and as of the Latest Practicable Date.

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. There is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations.

AWARDS AND RECOGNITIONS

We have received a number of awards in recognition of our brand and services. The following table sets forth major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date.

Year	Awards/Recognition	Awarding Authority/Entity
2024	Leading Digital Intelligence Enterprise Innovation Case	China Enterprise News Group
2024	Technology Empowering News Publishing Recommended Case	China Association of Press Technicians
2024	*China Good Story* International Communication Excellent Case	Office of the Central Cyberspace Affairs Commission, China International Communication Group and China Internet Development Foundation
2024	Beijing International Photography Week 2024 Outstanding Organization	Ministry of Culture and Tourism of the PRC and the People's Government of Beijing
2024	Partner of the 6th Global Chinese Short Video Contest	People's Daily Overseas Edition Online
2024	2024 Annual Outstanding Competitiveness Listed Company	China Business Journal
2023	Top 30 Private Cultural Enterprises in Jiangsu	Publicity Department of Jiangsu Provincial Committee
2023	2023 Top Ten Innovative AI Industry Application Cases	National Business Daily
2023	Annual Outstanding Partner	Publicity Center of the Ministry of Veterans Affairs of the PRC

We have served as a member of multiple industry associations. The following table sets forth our major membership up to the Latest Practicable Date:

Year	Association	Our Role in the Association
2024–2025	China Association of Press Technicians	Member
Since 2020	International Press Telecommunications Council	Member with voting rights
2020–2024	The Photojournalist Society of China	Council Member
Since 2020	Capital Copyright Industry Alliance	Council Member
2017–2019 and since 2025	The Association of Accredited Advertising Agencies of China	Member
Since 2025	Copyright Society of China	Standing Council Member
Since 2025	New Media Professional Committee of the All-China Journalists Association	Committee Member
Since 2025	Photography Publishing Committee of the Publishers Association of China	Vice Chairperson Member

OUR DIRECTORS

Overview

Our Board consists of two executive Directors, one non-executive Director and three independent non-executive Directors. The table below sets forth the key information of our Directors:

Name	Age	Positions	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors, and the senior management
Executive Directors						
Mr. Liao Jie (廖杰)	60	Chairman of our Board and executive Director	January 27, 2005	May 9, 2014	Overseeing strategic planning and regulating its implementation, representing our Company in external affairs and communications	None
Mr. Chai Jijun (柴繼軍)	52	Executive Director (employee representative Director) and president	March 30, 2006	May 9, 2014	Overseeing daily operation of our Company, formulating development strategies and representing our Company in business activities	None
Non-Executive Director						
Mr. Wu Siyuan (吳斯遠)	62	Non-Executive Director and vice chairman	July 29, 2016	July 29, 2016	Providing strategic advice and making recommendation on the operation and management of our Company	None
Independent non-executive Directors						
Mr. Lu Xianzhong (陸先忠)	41	Independent non-executive Director	April 17, 2023	April 17, 2023	Supervising and providing independent opinion to our Board	None
Mr. Zhang Lei (張磊)	62	Independent non-executive Director	October 14, 2024	October 14, 2024	Supervising and providing independent opinion to our Board	None
Dr. Li Jing (李晶)	43	Independent non-executive Director	March 16, 2026	March 16, 2026	Supervising and providing independent opinion to our Board	None

OUR BOARD OF DIRECTORS

Executive Directors

Mr. Liao Jie (廖杰), aged 60, is the chairman of our Board and an executive Director of our Company. He joined our Group in January 2005 and has been served as our chairman of the Board and Director since May 2014.

Mr. Liao has served as an executive director since August 2011 and as the chairman since July 2012 of China ITS (Holdings) Co. Ltd. (中國智能交通系統(控股)有限公司), a company listed on the Stock Exchange (stock code: 1900) and mainly engaged in provision of products, specialised solutions and services related to infrastructure technology in the railway, electric power and aviation sectors, and of contract energy management to customers. Mr. Liao served as the chairman of the board of Beijing RHY Technology Development Co., Ltd. (北京瑞華贏科技發展股份有限公司) from July 2020 to December 2024, a company quoted on the National Equities Exchange and Quotations (stock code: 873761) and mainly engaged in provision of integrated solutions for intelligent transportation and intelligent transportation products and technical services.

Mr. Liao obtained his master's degree in applied science from the University of Toronto in Canada in June 1992.

Mr. Chai Jijun (柴繼軍), aged 52, is the executive Director (employee representative Director) and the president of our Company. He joined our Group in March 2006 as a director of Huaxia Group and has served as our executive Director since May, 2014. Mr. Chai served as our vice president from April 2014 to June 2022, our Board secretary from April 2016 to July 2019 and has served as our president since June 2022. He has held various positions within our Group, including directorships at Tianjin Hanhua Yimei since December 2012, Visual China Group (Hong Kong) since February 2015, Unity Glory since November 2015, Chengdu Guangchang since March 2023 and Elephant Visual since March 2025.

Mr. Chai served as a editor-journalist of the photography department at China Youth Daily (中國青年報) from July 1995 to March 2006.

Mr. Chai obtained his bachelor's degree in journalism from Nanjing University (南京大學) in the PRC in July 1995.

Non-executive Director

Mr. Wu Siyuan (吳斯遠), aged 62, is the non-executive Director and the vice chairman of our Board. He joined our Group in July 2016 and has served as our Director and the vice chairman of our Board since then. Since March 2025, he has served as the chairman of the board and executive director of Visual Huahan (Shenzhen) Cultural Technology Co., Ltd. (視覺華瀚(深圳)文化科技有限公司).

From December 2009 to August 2015, Mr. Wu served several positions within the Overseas Chinese Town Group (華僑城集團), including as a deputy general manager at Shenzhen Overseas Chinese Town Co., Ltd. (深圳華僑城股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000069), as a deputy general manager at Overseas Chinese Town Group Company (華僑城集團公司), and as the chairman of Konka Group Co., Ltd. (康佳集團股份公司), a company listed on the Shenzhen Stock Exchange (stock code: 000016).

From January 2016 to January 2018, Mr. Wu served as the chairman of Changyou Information Technology Co., Ltd. (唱遊信息技術有限公司). From January 2023 to March 2024, he served as a director of Pang Da Automobile Trade Co., Ltd. (龐大汽貿集團股份有限公司).

Mr. Wu obtained his master's degree in system engineering from Northwestern Polytechnical University (西北工業大學) in the PRC in May 2005.

Mr. Wu Siyuan was director of Qingdao Overseas Chinese Town Industrial Co., Ltd. (青島華僑城實業有限公司) ("**Qingdao Chinese Town**") and Shenzhen Pipi King Tourism Commodity Development Co., Ltd. (深圳皮皮王旅遊商品開發有限公司) ("**Shenzhen Pipi King**") prior to the revocation of their respective business licenses, each of which was a limited liability company established under the laws of the PRC. The principal business of Qingdao Chinese Town was development of tourism projects and construction of cultural tourism attractions and its business license was revoked on June 27, 2024 due to cessation of business operation. The principal business of Shenzhen Pipi King was design and production of tourist souvenirs and its business license was revoked on February 27, 2004 due to cessation of business operation.

Mr. Wu Siyuan confirms that, to the best of his knowledge, information and belief, (i) the above companies were solvent immediately prior to the revocation of their respective business licenses; (ii) there was no wrongful act on his part leading to the revocation of business licenses of the above companies and he was not aware of any actual or potential claim that had been or would be made against him as a result of such revocation of business licenses; and (iii) no misconduct or misfeasance had been involved in the revocation of business licenses of the above companies.

Independent Non-executive Directors

Mr. Lu Xianzhong (陸先忠), aged 41, is an independent non-executive Director. He joined our Group in April 2023 and has served as our Director since then.

Mr. Lu has over 10 years of experience in investment and management. Mr. Lu served as an assistant manager at KPMG Huazhen LLP (畢馬威華振會計師事務所) from September 2006 to September 2009 and at KPMG Advisory (China) Limited Beijing Branch (畢馬威企業諮詢(中國)有限公司北京分公司) from October 2009 to April 2010. Since March 2012, Mr. Lu has been a partner at Shanghai Yonghua Investment Management Limited (上海涌鏵投資管理有限公司).

From February 2015 to September 2018, Mr. Lu served as a director of Weiye Construction Group Co., Ltd. (維業建設集團股份有限公司) (formerly known as Shenzhen Weiye Decoration Group Co., Ltd. (深圳市維業裝飾集團股份有限公司)), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300621). From February 2017 to November 2022, Mr. Lu served as a director of Nanjing Chervon Auto Precision Technology Co., Ltd. (南京泉峰汽車精密技術股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603982). From January 2018 to November 2022, Mr. Lu served as a director of Essence Fastening Systems (Shanghai) Co., Ltd. (超捷緊固系統(上海)股份有限公司), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301005) and since November 2025, he has served as an independent director and the chairperson of the audit committee of such company. Mr. Lu currently serves as a director of Zhejiang Zhongshan Chemical Group Co., Ltd. (浙江中山化工集團股份有限公司), Shenzhen Yunjifen Technology Co., Ltd. (深圳市雲積分科技有限公司) and Jianxin Zhao's Technology Co., Ltd. (建新趙氏科技股份有限公司).

Mr. Lu obtained his bachelor's degree in finance from Renmin University of China (中國人民大學) in the PRC in July 2006 and master's degree in business administration from Tsinghua University (清華大學) in the PRC in June 2020. He is a certified public accountant accredited by the Chinese Institute of Certified Public Accountants in China. Mr. Lu has obtained Certificate of Certified Public Accountant from CPA Institute in January 2007 and Certificate of Independent Director Qualification from the Shenzhen Stock Exchange in May 2023.

Mr. Zhang Lei (張磊), aged 62, is an independent non-executive Director. He joined our Group in October 2024 and has served as our Director since then.

Mr. Zhang has over 25 years of experience in electronic information and digital industry. From March 2000 to May 2021, he successively held various positions at Inspur Group Co., Ltd. (浪潮集團有限公司), including supervisor, deputy general manager, senior vice president, chief executive officer, secretary to the board of directors, chairman of the board of directors and executive director.

Since November 2022, Mr. Zhang has served as an independent director of Yeal Electric Co., Ltd. (研奧電氣股份有限公司), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300923), which is principally engaged in the design and manufacture of onboard electrical equipment for rail transit vehicles.

Mr. Zhang obtained his master's degree in economics from Liaoning University (遼寧大學) in the PRC in January 1992. Mr. Zhang has obtained the Certificate of Independent Director Qualification from the Shenzhen Stock Exchange in November 2022.

Dr. Li Jing (李晶), aged 43, is an independent non-executive Director. She joined our Group in March 2026 and has served as our Director since then.

From September 2016 to September 2018, she served as a visiting assistant professor in management and strategy and as a postdoctoral fellow from September 2018 to January 2019 at the HKU Business School of The University of Hong Kong. Since January 2019, she has served as a faculty member at The University of Hong Kong, where she currently serves as a senior lecturer in economics, deputy programme director and admission tutor for the Bachelor of Business Administration in International Business and Global Management programme.

Dr. Li obtained her bachelor's degree in economics from China Youth University of Political Studies (中國青年政治學院) in the PRC in July 2005, and her master's degree in finance from Central University of Finance and Economics (中央財經大學) in the PRC in August 2008. She obtained her doctorate degree in agricultural, environmental and regional economics from Pennsylvania State University in the U.S. in August 2016.

OUR SENIOR MANAGEMENT

The table below sets forth certain information in respect of the members of senior management of our Company:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and the senior management
Mr. Chai Jijun (柴繼軍)	52	Executive Director (employee representative Director) and president	March 30, 2006	June 22, 2022	Overseeing daily operation of our Company, formulating development strategies and representing our Company in business activities	None
Ms. Chen Chunliu (陳春柳)	50	Vice president and head of finance	July 3, 2023	July 3, 2023	Responsible for the Company's financial management and strategic investments	None
Mr. Zhang Zongtang (張宗堂)	49	Vice president	April 26, 2020	January 7, 2021	Responsible for content production and editorial management, content quality control, and the development of the editorial team	None
Mr. Wang Gang (王剛)	57	Vice president	August 1, 2007	April 15, 2014	Responsible for the formulation and execution of Company's sales plans, as well as sales team leadership and channel management	None
Mr. Li Yi (李毅)	39	Vice president	August 20, 2014	November 10, 2025	Responsible for overseeing the strategic planning and implementation of AI imaging innovation initiatives, and driving technology development, product innovation, and commercialization	None

Name	Age	Position(s)	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and the senior management
Mr. Li Miao (李淼)	39	Board secretary	June 11, 2023	July 3, 2023	Responsible for the Company's corporate governance, investor relations and compliance matters	None

For the biographical details of Mr. Chai Jijun, please see "— Directors — Executive Directors" in this section.

Ms. Chen Chunliu (陳春柳), aged 50, has served as the vice president and the head of finance of our Company since she joined our Company in July 2023. She has also served as the head of financial of Elephant Visual since March 2025.

Ms. Chen has over 25 years of experience in financial and investment matters. From July 1999 to December 2002, Ms. Chen served as an investment manager at UNISUN Group Inc. (優力集團). Ms. Chen then served as financial director of Beijing Innovation Lezhi Network Technology Co., Ltd. (北京創新樂知網絡技術有限公司), a Chinese information technology knowledge service website, from January 2003 to November 2008. From February 2009 to May 2011, Ms. Chen served as the vice marketing director at CCB International Healthcare Investment Management (Tianjin) Ltd. (建銀國際醫療保健投資管理(天津)有限公司) and the deputy general manager at Qianxin Culture Investment Management Co., Ltd. (乾信文化投資管理有限公司) from June 2011 to May 2012. From September 2012 to June 2023, Ms. Chen served as partner of Huagai Capital (華蓋資本有限責任公司), a private equity investment firm specialising in the PRC market.

Ms. Chen obtained her bachelor's degree in accountancy from Beijing Jiaotong University (北京交通大學) in the PRC in July 1998. She also obtained the executive master of business administration degree from Tsinghua University (清華大學) in the PRC in June 2022.

Mr. Zhang Zongtang (張宗堂), aged 49, he joined our Group in April 2020 and has served as our editor-in-chief since April 2020 and vice president since January 2021.

From July 2003 to April 2020, Mr. Zhang successively held several positions within Xinhua News Agency (新華通訊社), including serving as a journalist and subsequently as vice director of the Domestic News Department for Political and Social Affairs (國內部政文採訪室), deputy researcher of the General Office of Xinhua News Agency (新華社辦公廳), and director of the business management office of the Domestic News Department (國內部分社業務管理室), with the professional title of senior reporter.

Mr. Zhang obtained a bachelor's degree in journalism from Zhengzhou University (鄭州大學) in the PRC in June 2000 and his master's degree in journalism from Beijing Broadcasting Institute (北京廣播學院) in the PRC in July 2003.

Mr. Wang Gang (王剛), aged 57, he joined our Group in August 2007 and has served as the vice president of our Company since April 2014.He held several positions within our group, including vice president of Huagai Creative (Beijing) Image Technology Co., Ltd. (華蓋創意(北京)圖像技術有限公司), Huaxia Group and Huaxia Visual since August 2007.

From 1994 to 2003, Mr. Wang worked at Lenovo Group Limited (聯想集團有限公司), a company listed on the Stock Exchange (stock code: 0992). In 2005, Mr. Wang worked at TCL Computer Technology (Shenzhen) Co., Ltd. (TCL 電腦科技(深圳)有限公司). From November 2005 to November 2006, Mr. Wang worked at Toshiba Computer Network (Shanghai) Co., Ltd. (東芝電腦網絡(上海)有限公司).

Mr. Wang obtained his master's degree in computer software from Beihang University (北京航空航天大學) in the PRC in March 1993.

Mr. Li Yi (李毅), aged 39, is the vice president of our Company. He joined our Group in August 2014 and has served as the vice president since November 2025. He held several positions within our Group, including serving as the video production manager from September 2014 to June 2020, and has been the head of the AI Imaging Innovation Business Department since January 2025. He has then served as the general manager of Elephant Visual since March 2025.

Mr. Li Yi served as a producer in the production department of Zhongshi Heyang Media (中視和陽傳媒) from June 2010 to August 2014, where he led the production of multiple documentaries and promotional films, such as *The 20th Anniversary of Beijing Tong Ren Tang* (《北京同仁堂20週年》).

Mr. Li Yi obtained a bachelor's degree from Southwestern University of Finance and Economics (西南財經大學) in human resources in the PRC in July 2013 and a master's degree in arts of communication from American Central Institute of Technology based in the U.S. via a joint program between American Central Institute of Technology and Communication University of China (中國傳媒大學) in the PRC in June 2021.

Mr. Li Miao (李淼), aged 39, he joined our Group in June 2023 and has served as the Board secretary of our Company since July 2023.

Prior to joining our Company, Mr. Li Miao worked at the Institute of European Studies, the Chinese Academy of Social Sciences (中國社會科學院歐洲研究所) from July 2010 to February 2013. He served at the general affairs department of the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) as a senior manager from February 2013 to June 2016. From June 2016 to December 2021, he served as the head of capital operations and securities affairs representative of Sundiro Holding Co., Ltd. (新大洲控股股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000571). From December 2021 to June 2023, Mr. Li served as the board secretary of Yiyang Information Technology Co., Ltd. (億陽信通股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600289) ("**Yiyang Information**").

Mr. Li Miao obtained his bachelor's degree in Italian from Beijing Foreign Studies University (北京外國語大學) in the PRC in July 2010 and master's degree in European studies from University of Macau in Macau in September 2014. Mr. Li Miao has obtained the Board Secretary Qualification Certificate from the Shenzhen Stock Exchange in March 2017.

On April 18, 2023, Yiyang Information and Mr. Li Miao (in his capacity as the then board secretary of Yiyang Information) were imposed regulatory measure (the "**Regulatory Measure**") in the form of a decision on imposing regulatory warning (予以監管警示的決定) issued by the Shanghai Stock Exchange for failure on strict compliance with the disclosure requirements under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) in relation to an inappropriate response to investors' inquiries. On March 23, 2023, Yiyang Information stated on the SSE E-Interactive platform (上證e互動) that it was developing applications based on pre-trained GPT models. Following this, its share price hit the daily upper limit on March 24 and March 27. On March 27, Yiyang Information issued a clarification stating that it had not developed or sold AI models such as BERT or ChatGPT and that its AI-related application products were primarily utilized in customer-oriented services. The earlier statement was thus imprudent and may have caused misunderstanding (the "**Incident**"). Such Incident was primarily attributable to inadequate review of the completeness and objectivity of its statements on interactive platform with investors.

As advised by the PRC Legal Advisor, (i) the Regulatory Measure did not constitute administrative penalty under the PRC laws and regulations; (ii) under the current effective PRC laws and regulations, Mr. Li Miao has not been disqualified from, nor is he prohibited from, serving as a director or senior management member of our Company as a result of the Incident; and (iii) the Regulatory Measure does not, in itself, constitute a legal impediment to Mr. Li Miao's continued service as the Board secretary under the PRC laws.

In light of the PRC Legal Advisor's view above and also considering that: (i) as of the Latest Practicable Date, Mr. Li Miao's qualification to serve as a board secretary for A share listed companies is valid, and there are no facts and/or circumstances which suggest that Mr. Li Miao is not qualified to act as a senior management of a listed company pursuant to applicable PRC laws and regulations; and (ii) the non-compliant conducts involved in the Incident were unintentional and did not involve findings of fraud and dishonesty on the part of Mr. Li Miao or raise concern on his integrity, the Company is of the view that Mr. Li Miao's suitability to act as a senior management is not affected by the Incident.

JOINT COMPANY SECRETARIES

Mr. Wei Linfeng (魏麟灃), is one of the joint company secretaries of our Company. Mr. Wei joined our Group as our investment director since April 2025.

Mr. Wei worked at KPMG Advisory (China) Limited (畢馬威企業諮詢(中國)有限公司) from January 2013 to August 2015. From October 2015 to November 2017, Mr. Wei served in the tax advisory department at PricewaterhouseCoopers Consultants (Shenzhen) Limited (普華永道諮詢(深圳)有限公司) as a senior consultant, where he was responsible for developing transfer pricing models and policies. From December 2017 to March 2023, Mr. Wei served in the strategy and M&A department at Ernst & Young (China) Advisory Limited (安永(中國)企業諮詢有限公司) as a senior manager, where he was responsible for leading related project financing and investment analysis. Mr. Wei then joined Beijing Plateau Investment Fund Management Co., Ltd. (北京普拓投資基金管理有限公司) as an director of the investment department (投資部董事) from March 2023 to April 2024, where he was responsible for investment and M&A activities in the fields of advanced manufacturing, new energy, and consumer goods.

Mr. Wei obtained his bachelor's degree in computer aided engineering from University of Central Lancashire in the U.K. in October 2010 and his master's degree in business administration from the Guanghua School of Management, Peking University (北京大學) in the PRC in July 2024. Mr. Wei obtained the Certificate of Certified Tax Advisor from China Certified Tax Agents Association in November 2019.

Mr. Poon Ping Yeung (潘秉揚), is one of the joint company secretaries of our Company.

Mr. Poon is the senior manager of the listed & fiduciary corporate services of Trident Corporate Services (Asia) Limited, a global professional services firm. He has over ten years of professional experience in company secretarial field. He is currently a joint company secretary of each of Boyaa Interactive International Limited (博雅互動國際有限公司), a company listed on the Stock Exchange (stock code: 0434), Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司), a company listed on the Stock Exchange (stock code: 2576) and Shanghai REFIRE Group Limited (上海重塑能源集團股份有限公司), a company listed on the Stock Exchange (stock code: 2570).

Mr. Poon received his bachelor's degree in arts (major in social policy and administration) from Hong Kong Polytechnic University in Hong Kong in October 2012. He received his master's degree in corporate governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in Hong Kong in October 2019.

Mr. Poon is an associate member (a holder of practitioner's endorsement) of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations, the Articles of Associations and the Corporate Governance Code set out in Appendix C1 to the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination 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, the Articles of Associations and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to assist the Board in independently reviewing our financial status and the implementation and effectiveness of the internal control system, review and approve connected transactions and be responsible for compliance control of our operation management and investment business, reviewing and supervising our internal audit work, as well as independent communication, supervision and verification with the internal auditor and external auditor. The Audit Committee currently comprises three members, namely Mr. Lu Xianzhong (陸先忠), Mr. Zhang Lei (張磊) and Mr. Wu Siyuan (吳斯遠). Mr. Lu Xianzhong (陸先忠) serves as the chairperson of the Audit Committee and is the director appropriately qualified as required under Rule 3.10(2) of the Listing Rules.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal 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 Appraisal Committee are to formulate the appraisal criteria for our senior management and conduct assessments, formulate and review the compensation policies and plans for our Directors and senior management. The remuneration and Appraisal Committee comprises three members, namely Mr. Zhang Lei (張磊), Mr. Lu Xianzhong (陸先忠) and Mr. Wu Siyuan (吳斯遠). Mr. Zhang Lei (張磊) serves as the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to select and make recommendations on the candidates, selection criteria and procedures for our Directors and senior management. The Nomination Committee currently comprises three members, namely Mr. Lu Xianzhong (陸先忠), Mr. Wu Siyuan (吳斯遠) and Dr. Li Jing (李晶). Mr. Lu Xianzhong (陸先忠) serves as chairperson of the Nomination Committee.

Strategy Committee

We have established a Strategy Committee with written terms of reference. The primary duties of the Strategy Committed are to research and 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, Mr. Liao Jie (廖杰), Mr. Chai Jijun (柴繼軍) and Mr. Lu Xianzhong (陸先忠). Mr. Liao Jie (廖杰) serves as the chairperson of the Strategy Committee.

CORPORATE GOVERNANCE CODE

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the [REDACTED].

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the 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 and educational background, 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 Directors have a balanced mix of knowledge and skills, including overall management and strategic development, finance and accounting and corporate governance, in addition to industry experience in the industry in which our Company operates. We have three independent non-executive Directors with different industry backgrounds, representing half of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

The current composition of the Board consists of one female Director and five male Directors. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance the gender diversity of our Board when selecting and recommending suitable candidates for Board appointments. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness, and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our 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 Company'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 on May 18, 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he or 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 or her independence at the time of his/her appointments.

Rule 13.51 of the Listing Rules

Save 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. Mr. Liao Jie is the son of Ms. Wu Yurui and Mr. Liao Daoxun, who are spouses and members of the Single Largest Group of Shareholders. Save as disclosed herein, 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 Central China International Capital Limited as our Compliance Advisor pursuant to Rules 3A.19 and 3A.23 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:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- 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
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and [REDACTED] volume or other issues under 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 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 appointment of the compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

REMUNERATION

Our Directors and senior management members receive their remuneration in the form of basic fee, salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions.

For the years ended December 31, 2023, 2024 and 2025, the total remuneration paid to our Directors amounted to RMB1.5 million, RMB1.6 million and RMB1.7 million, respectively. Under the arrangements currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 will be approximately RMB1.8 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration.

For the years ended December 31, 2023, 2024 and 2025, the total emoluments paid to the five highest paid individuals (including one, one and one Director, respectively) by us amounted to RMB4.5 million, RMB8.1 million and RMB4.3 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group. Except for Mr. Liao Jie, none of the Directors waived their remuneration during the relevant period.

The remuneration of our Directors and senior management members is determined with reference to factors including the responsibility, risk and commitment of our Directors and senior management members, the completion rate of our corporate profit, the assessment result of our target responsibility system, the performance evaluation structure of each of our corporate departments and the salaries paid by comparable companies. Save as disclosed above and in the sections headed "Financial Information", "Appendix I — Accountants' Report" and "Appendix VI — Statutory and General Information" no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management members by our Group.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun directly and/or indirectly held approximately 9.87%, 5.93% and 3.47% of the total issued share capital of our Company, respectively. By virtue of the Concert Party Arrangements, Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, in aggregate were able to hold approximately 19.27% of our total issued share capital and control 19.29% of the voting rights attached to the A Shares carrying voting rights in our Company (excluding the 998,800 A Shares held by our Company as treasury Shares) as of the Latest Practicable Date. See "History, Development and Corporate Structure — Concert Party Arrangements" 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]), Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun, will be able to control an aggregate of approximately [REDACTED]% of the voting rights attached to the Shares carrying voting rights in the Company (excluding the 998,800 A Shares held by our Company as treasury Shares) and constitute our Single Largest Group of Shareholders immediately upon the [REDACTED].

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that our Group is capable of carrying on its business independently from our Single Largest Group of Shareholders and their respective close associates upon the [REDACTED].

Management Independence

The business of our Group is managed and conducted by the Board and senior management of our Company. The Board consists of six Directors, three of whom are independent non-executive Directors. Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. See "Directors and Senior Management" for details. Mr. Chai Jijun, our executive Director, is one of the members of our Single Largest Group of Shareholders.

Our Directors are of the view that the Board and senior management of our Company are able to manage the business of our Group independently from the Single Largest Group of Shareholders and their respective close associates for the following reasons:

(i) each of our Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of our Company and the Shareholders as a whole;

(ii) save for Mr. Chai Jijun, none of our other Directors and members of the senior management team is a member of the Single Largest Group of Shareholders or hold any positions in their respective close associates;

(iii) our Company's daily management and operations are carried out by its senior management, all of whom have substantial experience in the industry where our Company operates, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management, please refer to the section headed "Directors and Senior Management" in this document;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and the Directors or their respective associates, the interested Director(s) is(are) required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions;

(v) our Company has appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of our Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between our Company and the Directors or their respective close associates;

(vi) we have adopted other corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders. See "— Corporate Governance Measures."

Operational Independence

Our Group holds all the relevant material licenses, qualifications and permits required for conducting our business. Our Group has sufficient capital, employees and resources to operate our business independently from our Single Largest Group of Shareholders and their respective close associates. Our Group also has independent access to the clients. Our Group has our own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, our Group has established its internal organizational and management structure which includes Shareholders' meetings, the Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

We entered into certain continuing connected transactions with associates of our Director. See section headed "Connected Transactions" for more details. All such transactions will be conducted on arm's length and on normal commercial terms in the ordinary and usual course of business of our Group in accordance with the requirements under Chapter 14A of the Listing Rules, and the relevant pricing policy for such transactions adopted between our Group and our connected persons will not be prejudicial to the interests of any of the parties. Our Directors believe that such transactions will not affect the operational independence of our Group as a whole.

Based on the above, our Directors are of the view that our Group will be able to operate independently from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Financial Independence

Our Group has an independent financial system. Our Group makes financial decisions according to our own business needs and neither our Single Largest Group of Shareholders nor their respective close associates intervene with our Group's use of funds. Our Group has opened accounts with banks independently and does not share any bank account with our Single Largest Group of Shareholders or their respective close associates. Our Group has made tax filings and paid tax independently from our Single Largest Group of Shareholders and their respective close associates pursuant to applicable laws and regulations. Our Group has established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. Our Group has adequate internal resources and credit profile to support its daily operations.

We are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Single Largest Group of Shareholders or their respective associates. As of the Latest Practicable Date, there was no outstanding loan extended by our Single Largest Group of Shareholders or their close associates to us and no guarantee has been provided for our benefit by our Single Largest Group of Shareholders or any of their close associates.

Based on the above, our Directors are of the view that our Group will be financially independent from our Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

INTEREST OF THE SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESS

As of the Latest Practicable Date, none of our Single Largest Group of Shareholders was interested in any business, other than our Group, which, competes or is likely to compete, whether directly or indirectly, with our Group's business, which would otherwise require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protecting our Shareholders' interests. Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which set out principles of good corporate governance in relation to, among other matters, directors, the chairperson and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with Shareholders. We have adopted or will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(i) 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;

(ii) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which our Single Largest Group of Shareholders or any of their close associates has a material interest, our Single Largest Group of Shareholders shall abstain from voting and their votes shall not be counted;

(iii) 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 abstain 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;

(iv) our Company has established internal control mechanisms to identify connected transactions. Upon [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 requirements under the Listing Rules.

(v) our Company is committed that the Board shall include a balanced composition of executive Directors and independent non-executive Directors. Our Company has appointed three independent non-executive Directors, and our Company believes the independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of the Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management — Our Board of Directors — Independent Non-executive Directors";

(vi) where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgement, the appointment of such independent professionals will be made at the expense of our Company;

(vii) our Company has appointed Central China International Capital Limited as the Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance; and

(viii) our Company has established Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and the Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the [REDACTED].

CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following connected persons, which will constitute continuing connected transactions upon the [REDACTED]:

Name of our connected persons	Connected relationship
eSOON Information Technology Co., Ltd. (億迅信息技術有限公司) ("**eSOON**")	As of the Latest Practicable Date, eSOON was indirectly held as to 45.62% by Mr. Liao Jie, our executive Director. Therefore, eSOON constitutes an associate of Mr. Liao Jie and therefore a connected person of our Company under Chapter 14A of the Listing Rules.
Beijing Hongrui Dake Technology Co., Ltd. (北京宏瑞達科科技有限公司) ("**Hongrui Dake**") . . .	As of the Latest Practicable Date, Hongrui Dake was a wholly-owned subsidiary of China ITS (Holdings) Co., Ltd. ("**China ITS**"), a company listed on the Stock Exchange (stock code: 1900). Mr. Liao Jie is a controlling shareholder of China ITS by virtue of acting-in-concert arrangement with relevant shareholders of China ITS (with his own interest as to approximately 6.15% therein). Accordingly, Hongrui Dake constitutes an associate of Mr. Liao Jie and therefore a connected person of our Company under Chapter 14A of the Listing Rules.

SUMMARY OF OUR CONNECTED TRANSACTIONS

No.	Nature of Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual caps
					(RMB in millions)	*(RMB in millions)*
One-off Connected Transaction						
1. .	Lease of property and rental of cabinet for equipment	Hongrui Dake	14A.34	N/A	N/A	N/A
Fully Exempt Continuing Connected Transaction						
2. .	Procurement of technical support services	eSOON	14A.76(1)	N/A	N/A	N/A
Partially Exempt Continuing Connected Transaction						
3. .	Procurement of property management and ancillary services	Hongrui Dake	14A.35, 14A.76(2) and 14A.105	Announcement requirement	For the year ended December 31, 2023: 1.1 2024: 1.3 2025: 2.1	For the year ending December 31, 2026: 2.1 2027: 2.1 2028: 2.2

ONE-OFF CONNECTED TRANSACTION

Lease of property and rental of cabinet for equipment

Our Group has entered into certain lease agreements (the "**Leasing Agreements**") dated June 30, 2025 with Hongrui Dake, pursuant to which Hongrui Dake (as lessor) agreed to lease to our Group (as lessee) certain properties with a total gross floor area of approximately 3,335.8 sq.m. for office use (the "**Hongrui Dake Properties**") and to provide equipment cabinets rental services, for a term of commencing on July 1, 2025 and expiring on June 30, 2028. The Leasing Agreements can be renewed upon its expiry as agreed by the parties to the agreement.

The rental fees agreed under the Leasing Agreements was determined by the parties at arm's length negotiations with reference to prevailing market rent of comparable properties and equipment cabinets. Our Directors (including our independent non-executive Directors) are of the view that the Leasing Agreements were entered into and has been conducted in the ordinary and usual course of business and on normal commercial terms or better.

In accordance with IFRS 16, *Leases*, the lease/rental under the Leasing Agreements are recognized as right-of-use assets on our consolidated statements of financial position. Therefore, the entering into the Leasing Agreements will be regarded as the acquisition of capital assets and one-off connected transaction, rather than continuing connected transaction. Accordingly, the reporting, announcement, annual review and independent Shareholders' approval requirements in Chapter 14A of the Listing Rules will not be applicable.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

Procurement of Technical Support Services from eSOON

We have entered into and are expected to continue to enter into after [REDACTED] certain agreements with eSOON, pursuant to which we procure customer service software solutions from eSOON, which is primarily used to support our customer service and operational management functions. The pricing for the procurement of customer service software solutions from eSOON has been determined based on arm's length negotiations between us and eSOON with reference to, among others, the scope of services required, the functionalities of the software and the prevailing market prices for comparable customer service software solutions.

The procurement of the customer service software solutions from eSOON has been conducted in the ordinary and usual course of business and on normal commercial terms or better. All applicable percentage ratios calculated under Chapter 14A of the Listing Rules in respect of such procurement are expected to be less than 0.1%. Accordingly, the procurement of the customer service software solutions from eSOON is fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

Procurement of property management and ancillary services

Parties

Our Company; and

Hongrui Dake

Principal terms

On [•], we entered into a framework agreement with Hongrui Dake (the "**Hongrui Dake Framework Agreement**"), pursuant to which, among other things, our Group would, from time to time, procure property management and ancillary services relating to the lease of Hongrui Dake Properties, for which we will pay property service fees to Hongrui Dake. The property management and ancillary services provided by Hongrui Dake include (i) basic property management services, including but not limited to establishing the rules and procedures relating to property management, cleaning and hygiene, maintenance of common facilities and equipment. The property services fee is inclusive of expenses for water supply, electricity supply and central air conditioning attributable to the common area of the Hongrui Dake Properties; (ii) payment of water and electricity charges; and (iii) optional services, including rental of multi-function conference room and/or other equipment, facilities or services in relation to the Hongrui Dake Properties.

The term of the Hongrui Dake Framework Agreement is three years commencing from the [REDACTED] to [December 31, 2028], subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will, in the ordinary and usual course of business, enter into separate underlying agreements setting out the specific terms and conditions for the property lease and property services according to the principles provided in the Hongrui Dake Framework Agreement.

For the avoidance of doubt, all specific agreements entered into prior to the date of the Hongrui Dake Framework Agreement (to the extent which cover property leasing and management and ancillary services which will continue to be in force after the [REDACTED]) shall be treated as specific agreements made pursuant to the Hongrui Dake Framework Agreement as from the [REDACTED]. If there is any conflict between any provision of a specific agreement and the relevant provision(s) of the Hongrui Dake Framework Agreement, the provision(s) of the Hongrui Dake Framework Agreement shall prevail.

Reasons for the transaction

We have been leasing the Hongrui Dake Properties from Hongrui Dake for office space, and procuring property management and ancillary services relating to such properties. Hongrui Dake offers professional and quality property management and ancillary services that can facilitate efficient and orderly business operation of our Group. As compared with other Independent Third Parties, Hongrui Dake normally has a better understanding of our property requirements in relation to our business premises and offices.

Pricing terms

Our Group shall pay property service fees to Hongrui Dake, which shall be determined after arm's length negotiation between the parties on normal commercial terms, with reference to a number of factors, including but not limited to (i) the size, location and quality of the relevant property (in particular the total gross floor area of the relevant property under management); (ii) the prevailing market property service fees offered by third-party property management service providers for comparable property in similar location or of similar type, size and/or quality; (iii) the scope of property services to be provided; and (iv) the estimated servicing costs. The basic property management service fees are calculated primarily by multiplying the total gross floor area of the property under management and the property management service fee per square meter. The rates of electricity expense and rental of conference rooms and exhibition hall in the vicinity of the Hongrui Dake Properties are set by reference to the rates at which Hongrui Dake is charged by the Electronic City IT Industrial Park for such utilities and facilities, in which the Hongrui Dake Properties are situated.

Historical amounts

Set out below are the historical transaction amounts incurred by our Group to Hongrui Dake for the above mentioned transactions during the Track Record Period:

	Years ended December 31		
	2023	**2024**	**2025**
	(RMB in millions)		
Property service fees incurred by our Group .	1.1	1.3	2.1

Annual caps

The following table sets forth the maximum amount payable by our Group to Hongrui Dake for the abovementioned transactions for each of the three years ending December 31, 2028:

	Years ended December 31,		
	2026	**2027**	**2028**
	(RMB in millions)		
Property service fees to be incurred by our Group	2.1	2.1	2.2

The proposed annual caps are determined based on:

(i). the historical transaction amounts and the existing property management services agreement currently in force between our Group and Hongrui Dake. The historical transaction amounts for 2025 were higher than those of prior years primarily due to additional property management services incurred in connection with the Company's relocation to, and renovation of, Hongrui Dake Properties in 2025;

(ii). the prevailing market price and its fluctuation of procurement of property services for similar properties in the locality or neighbouring areas; and

(iii). the expected increase in scope and standard of property services required by the Group leading to the expected increase in operational and servicing costs to be incurred by Hongrui Dake.

WAIVER APPLICATION FOR PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

In respect of the the transaction as described above under the Hongrui Dake Framework Agreement, since the highest of all applicable percentage ratios (other than the profit ratio) calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the transactions contemplated thereunder are exempt from the circular and independent shareholders' approval requirements, but are subject to the announcement, annual review and reporting requirements under Chapter 14A of the Listing Rules.

As the transactions under the Hongrui Dake Framework Agreement are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that it would be impractical for us to strictly comply with the announcement requirement for such partially exempt continuing connected transactions upon [REDACTED], and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under the Listing Rules in respect of the transactions under the Hongrui Dake Framework Agreement, provided that the total amount of the transactions for each of the three years ending 31 December 2026, 2027 and 2028 will not exceed the relevant proposed annual caps set forth above.

If any terms of the transactions subject to the waiver are altered or if we enter into any new agreements with any connected persons (within the meaning of the Listing Rules) in the future, we shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transaction under the Hongrui Dake Framework Agreement set out above has been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps under the Hongrui Dake Framework Agreement are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE SOLE SPONSOR

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Company in relation to the aforesaid partially exempt continuing connected transaction, (ii) obtained necessary representations and confirmations from our Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Sole Sponsor is of the view that the aforesaid partially exempt continuing connected transaction, for which a waiver has been sought, has been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, is fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of such partially exempt continuing connected transaction are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

- We have adopted and implemented a management system on connected transactions. Under such system, the audit committee under the Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Board, the Audit Committee and various internal departments of our Company are jointly responsible for evaluating the terms under framework agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- The Board, the Audit Committee and various internal departments of our Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of our Company also regularly reviews the pricing policies of the framework agreements;

- Our independent non-executive Directors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation in accordance with Rules 14A.55 of the Listing Rules; and

- when considering the service fees and other fees provided by us to the above connected persons, our Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties. For the specific internal control procedures for each of the continuing connected transaction under their framework agreements, please refer to the relevant disclosure for the respective continuing connected transaction in this section.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, 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]), the following person will have an interest and/or short position in the Shares or the underlying Shares which would fall 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 be, directly or indirectly interested in 10% or more of the nominal value of any class of our Company's share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As of the Latest Practicable Date		Immediately following the completion of the [REDACTED][2]		
Name of Shareholder	Nature of interest[1]	Type of Shares	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Approximate percentage of shareholding in our A Shares	Approximate percentage in the total issued share capital of our Company
Ms. Wu Yurui[3]	Beneficial owner	A Shares	69,159,506	9.87%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest held jointly with other persons/Interest of spouse	A Shares	65,816,481	9.39%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Liao Daoxun[3]. . .	Beneficial owner	A Shares	41,540,639	5.93%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest held jointly with other persons/Interest of spouse	A Shares	93,435,348	13.34%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Chai Jijun[3][4] . . .	Beneficial owner	A Shares	24,175,842	3.45%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest held jointly with other persons	A Shares	110,700,145	15.80%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest of spouse	A Shares	100,000	0.01%	[REDACTED]	[REDACTED]%	[REDACTED]%
Ms. Wu Xiaoyan (巫曉燕)[4]	Beneficial owner	A Shares	100,000	0.01%	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest of spouse	A Shares	134,875,987	19.25%	[REDACTED]	[REDACTED]%	[REDACTED]%
LIANG AMY JUN. . .	Beneficial owner	A Shares	55,835,827	7.97%	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

(1) All interest stated 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 the [REDACTED].

(3) Ms. Wu Yurui and Mr. Liao Daoxun are spouses. By virtue of the SFO, they are deemed to be interested in the Shares held by each other.

Ms. Wu Yurui, Mr. Liao Daoxun, Mr. Chai Jijun have also entered into the Concert Party Arrangements to act in concert in exercising the voting rights attached to their Shares held in the Company, which will remain effective after the [REDACTED]. Therefore, by virtue of the SFO, each of Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun is deemed to be interested in the Shares held by each other. See "History, Development, and Corporate Structure — Concert Party Arrangements" for details.

(4) Mr. Chai Jijun and Ms. Wu Xiaoyan are spouses. By virtue of the SFO, they are deemed to be interested in the Shares held by each other.

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 meetings of any other member of our Group, see "Appendix VI — Statutory and General Information — 3. Further Information about the Directors — C. Disclosure of Interests".

SUBSTANTIAL SHAREHOLDERS

Save as otherwise disclosed above and in Appendix VI to this document, the Directors are not aware of any person who will, immediately following 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]), have an interest or short position in the 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 issued voting shares of any other members of our Group.

This section presents certain information regarding our Company's share capital before and upon completion of the [REDACTED].

BEFORE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB700,577,436, comprising 700,577,436 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

Description of Shares	Number of Shares	Approximate % of issued share capital
A Shares*	700,577,436	100.00%

Note:

* Including 998,800 A Shares being held as treasury Shares repurchased by our Company, accounting for approximately 0.14% of the total number of A Shares in issue as of the Latest Practicable Date.

UPON COMPLETION OF THE [REDACTED]

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], the share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate % of the total issued share capital
		(%)
A Shares*	700,577,436	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is exercised in full and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], the share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate % of the total issued share capital
		(%)
A Shares*	700,577,436	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Note:

* Including 998,800 A Shares being held as treasury Shares repurchased by our Company, accounting for approximately 0.14% of the total number of A Shares in issue as of the Latest Practicable Date.

OUR SHARES

Our H Shares in issue upon completion of the [REDACTED] and our A Shares are ordinary shares in the share capital of our Company and are considered as one class of Shares. However, apart from qualified domestic institutional investors and persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approval of any competent authority, or (if our H Shares are eligible securities for that purpose) through Shenzhen-Hong Kong Stock Connect or Shanghai-Hong Kong Stock Connect pursuant to relevant PRC laws and regulations, our H Shares may not be subscribed by or [REDACTED] between legal or natural persons of the PRC.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by PRC investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in RMB. As 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 Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and [REDACTED] by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. 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 RMB. 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.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the [REDACTED]. *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》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of 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 listing and trading on the Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. Such approval was obtained by us at the Shareholders' meeting of our Company held on March 16, 2026 and is subject to the following conditions:

(i) *Size of the [REDACTED].* The proposed number of H Shares to be [REDACTED] shall not exceed [REDACTED]% of the total issued share capital enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be [REDACTED] pursuant to the full exercise of the [REDACTED] shall not exceed [REDACTED]% of the total number of H Shares to be [REDACTED] initially under the [REDACTED].

(ii) *Method of [REDACTED].* The method of [REDACTED] shall be by way of an [REDACTED] to institutional investors and a [REDACTED] for subscription in Hong Kong.

(iii) *Target investors.* The H Shares shall be [REDACTED] to [REDACTED] in Hong Kong under the [REDACTED] and international investors, qualified domestic institutional investors in mainland China and other investors who are approved by mainland Chinese regulatory bodies to invest abroad in [REDACTED].

(iv) *[REDACTED] basis.* The [REDACTED] price of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, acceptance of investors and the risks related to the [REDACTED], according to international practice, through the demands for [REDACTED] and [REDACTED] 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.

(v) *Validity period.* The [REDACTED] of H Shares and [REDACTED] of H Shares on the Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on March 16, 2026.

There are no other approved [REDACTED] plans for our Shares except the [REDACTED].

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS' MEETING IS REQUIRED

For details of circumstances under which the Shareholders' meeting is required, see "Appendix V — Summary of the Articles of Association".

SHARE INCENTIVE SCHEME

Certain employees of our Group are eligible to subscribe for interests of our Shares through our share incentive scheme. For details, please refer to "Appendix VI — Statutory and General Information — 4. Share Incentive Scheme" in this document.

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 Accounting Standards.

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 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading provider of content licensing and customization services in China. Our services enable customers to efficiently access, create, manage and deploy licensed content across a wide range of application scenarios. Our development strategy is built around content assets, AI capabilities and application scenarios. Our service offerings include (i) content licensing services, under which we provide content with clearly defined rights and usage scope, including the commercially reliable content, (ii) content customization services, under which we deliver tailored content solutions designed to meet specific customer needs across content creation, production, management and deployment scenarios and (iii) value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices, and content providers' community operations. We ranked first in China and fifth globally in the visual content licensing services market in terms of revenue in 2025, according to Frost & Sullivan.

During the Track Record Period, we maintained a stable revenue base and remained profitable. Our revenue was RMB780.8 million in 2023, RMB811.2 million in 2024 and RMB778.5 million in 2025. Our profit for the year was RMB154.0 million, RMB130.2 million and RMB92.7 million in 2023, 2024 and 2025, respectively.

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 ("**IASB**"). The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, we have consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. We have not applied any new and revised accounting standards and interpretations issued but not yet effective for the Track Record Period, the detail of which are set out in Note 39 of Appendix I to this document. For more information on the basis of preparation of the Historical Financial Information, see Note 1 of Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial position have been, and are expected to be, continuously and materially affected by a number of key factors, some of which are outside of our control, including, without limitation, the following:

General Factors

Our business, financial condition and results of operation are impacted by general factors affecting the visual content services industry in jurisdictions where we operate, which include: (i) macroeconomic growth in the jurisdictions where we operate; (ii) overall demand for visual content services and evolving consumption patterns across media and commercial sectors; (iii) growth and competition environment of the visual content service industry in China and globally; (iv) technological advancements in the visual content service industry; (v) relevant laws and regulations, governmental policies and initiatives affecting the visual content service industry; and (vi) occurrence of force majeure events, outbreak of public health incidents, acts of war, social and economic chaos and natural disasters.

Specific Factors

Our business and results of operations are also affected by a number of key factors specific to our Group, which mainly include:

Our Service Offerings

We offer a broad range of visual content services, primarily comprising (i) content licensing services; (ii) content customization services; and (iii) value-added services. Our services enable customers to efficiently access, create, manage and deploy licensed visual content across a wide range of application scenarios. We are evolving from a traditional content licensing provider into an integrated content solutions platform, driven by the convergence of content assets, AI technologies and application scenarios.

Content licensing services contributed RMB575.2 million, RMB609.6 million and RMB523.7 million of revenue in 2023, 2024 and 2025, respectively, accounting for 73.7%, 75.1% and 67.2% of our total revenue in the same respective years. Leveraging our large-scale, curated and rights-cleared content assets, we have broadened our service offerings to include content customization and selected value-added services, enabling us to address evolving customer needs and diversify our sources of revenue. We optimize our business model through the complementary development of content licensing and content customization services. While continuing to strengthen our content licensing business, we have accelerated the expansion of content customization services and value-added services, aiming to capture opportunities arising from the ongoing transformation of the content services industry.

Content Licensing Services. Our revenue from content licensing services decreased by 14.1% from RMB609.6 million in 2024 to RMB523.7 million in 2025, primarily due to customers' marketing budgets control, which resulted in reduced spending on our content licensing services. At the same time, the rapid development of AI technologies has changed certain content procurement and consumption patterns across the industry. We believe, however, that AI technologies also increase demand for high-quality, rights-cleared, traceable and reliable content assets and AI-enabled content services spanning across multiple application scenarios. In response to these industry developments, we have continued to integrate AI-enabled functionalities into our platforms and enhance our content library with the assistance of AI technologies, to mitigate the adverse impact on our content licensing services. We have deployed AI-enabled functionalities such as AI-assisted search, AI-assisted image editing, AI-assisted content matching and AI-empowered one-click video generation, which enhance content discovery, content creation and content processing efficiency for our customers. Meanwhile, we reorganized our content assets through AI-assisted and expert annotation based on semantic attributes, visual features, usage characteristics and other dimensions, transforming our content assets into structured multidimensional data. We had cumulatively generated over 70 billion multidimensional data tags as of December 31, 2025, making our content more searchable, matchable and commercially reliable. We have also enriched our content library with AI-generated content. As of December 31, 2025, we contracted over 12,000 AI content providers, with our platforms hosting more than 9 million AI-generated images and videos and generated total sales of over RMB50 million. Despite changes in industry dynamics, we continued to rank first in China's visual content licensing services market in 2025. Our content licensing services continued to benefit from a stable base of KA customers. The customer retention rate and net dollar retention rate of our KA customers were 77.6% and 81.7% in 2025, respectively. This reflects the value of our content assets, long-standing customer relationships and ability to serve customers' evolving content needs. We believe our extensive rights-cleared content library positions us well to meet such demand and strengthen customer retention and acquisition.

Content Customization Services. Content customization services contributed RMB151.6 million, RMB163.8 million and RMB209.2 million of revenue in 2023, 2024 and 2025, respectively, accounting for 19.4%, 20.2% and 26.9% of our total revenue during the same year. The increasing revenue contribution from content customization services reflects (i) our continued efforts to expand our customer base, particularly among brands in industries such as consumer electronics, automotive, consumer goods, financial services, culture and tourism; and (ii) our ability to leverage AI technologies and content resources to address evolving customer requirements. We have enhanced both service quality and operational efficiency through the integration of AI technologies into our workflow. For example, AI tools enable us to generate visual samples across multiple scenarios for customer evaluation, reducing reliance on traditional on-site production and improving communication efficiency. More importantly, AI technologies have expanded the range of application scenarios that we can serve, enabling us to deliver customized content solutions across a broader spectrum of digital marketing, social media, smart devices and other content-driven applications. The continued growth of this business is also reflected in our operating metrics. During the Track Record Period, the average customer value increased from RMB1.5 million in 2023 to RMB1.9 million in 2025 and the number of newly secured projects increased from 467 in 2023 to 552 in 2025, reflecting the robust growth of our content customization business and providing visibility into future revenue generation. We believe content customization services represent an important growth driver for our future development, supported by increasing enterprise demand for tailored content solutions, the continued advancement of AI technologies and our growing customer base and project pipeline.

Value-added Services. Building upon our content assets, customer relationships and industry expertise, we have expanded into selected value-added services, including AI training data services, digital asset management services, visual content solutions for smart devices and content providers' community operations. These services leverage our existing content ecosystem and operational capabilities while creating additional monetization opportunities beyond traditional content licensing. In 2025, our value-added services generated revenue of RMB45.5 million, representing a recovery from RMB37.8 million in 2024. We expect such services to further diversify our revenue streams and strengthen customer engagement across the content value chain.

Profitability and Long-term Sustainability. Our gross profit margin decreased from 51.2% in 2023 to 46.8% in 2024 and further to 41.7% in 2025, primarily due to changes in revenue mix and margin dynamics within our service offerings. In particular, content customization services generally carried lower gross profit margin than content licensing services and represented an increasing proportion of our revenue during the Track Record Period, resulting in a relatively higher cost base than content licensing services. This margin profile reflects the project-based nature of content customization services, which typically require third-party production and content suppliers in addition to our internal costs, resulting in a relatively higher cost base than content licensing services. The gross profit margin of our content customization services decreased from 18.2% in 2023 to 15.1% in 2024 as we were in the initial ramp-up stage of integrating AI technologies into these services. As our AI-enabled workflow solutions became more mature and integration efficiency improved, the gross profit margin of our content customization services subsequently increased to 16.4% in 2025. Looking ahead, we expect continued advancements in AI technologies, further workflow optimization and increasing scale efficiencies to support improvements in the profitability of our content customization services. Moreover, we intend to further strengthen the integration of content assets, AI capabilities and application scenarios across our service offerings. As regulatory and commercial requirements relating to AI-generated content continue to evolve, we believe our extensive rights-cleared content resources, structured data capabilities and AI-enabled workflow solutions position us well to capture increasing demand for compliant, traceable and commercially reliable content solutions. Through the continued enhancement of our services, together with ongoing improvements in operating efficiency, we aim to diversify our revenue streams, enhance profitability and support the long-term sustainability of our business.

Our Content Resources

Large-scale, high-quality and rights-cleared content forms the foundation of our business model and are a critical driver of our financial performance. We source content from professional institutions, global and domestic media partners, individual content creators and our self-owned copyright assets, enabling us to maintain a comprehensive library of images, video, 3D models and other materials. Moreover, we have also enriched our content library with AI-generated content. As of December 31, 2025, we contracted over 12,000 AI content providers, with our platforms hosting more than 9 million AI-generated images and videos and generated total sales of over RMB50 million. The breadth, depth and renewal speed of our content resources directly influence customer acquisition, retention and usage frequency of our services. Moreover, our structured multidimensional data, which are typically formed via data labelling of the original content resources, serve as the core input for AI-functions of our proprietary service platforms, including AI-assisted search, AI-assisted image editing, AI-assisted content matching and AI-empowered one-click video generation. These capabilities enable our customers to quickly identify and obtain relevant content from a large content pool, driving increased use frequency of our services and average contract value of our customers. The scale and quality of structured multidimensional data materially affect our ability to commercialize emerging application scenarios and expand into technology-driven revenue streams. As of December 31, 2025, we have aggregated over 700 million high-quality pieces of content, including our proprietary Corbis Content, a globally recognized historical image archive founded by Bill Gates. Moreover, content contained in our library is rights-cleared, and we have established traceability mechanisms covering content sourcing, licensing, management and distribution. This enables us to better retain and attract customers, especially in anticipation of the intensified regulatory landscape for AI-generated content. As demand for our content increases and further converts into monetization, content providers are further incentivized to contribute and distribute content through us. This also expands our content supply and increases content update frequency, further enriching the breadth and availability of our content library. We believe the continued enrichment, compliance assurance and data restructuring of our content resources are essential for us to meet a wide range of customer needs, supporting revenue growth.

Our Service Platforms

Our service platforms form the technological backbone of our service offerings. Our content licensing services are delivered through our proprietary online platforms, including VCG, CFP, VJshi and ImageShop as well as API-based distribution channels. We also offer value-added services such as digital asset management services through our digital systems. These platforms and systems enable efficient ingestion, structuring, verification, and distribution of large-scale and high-quality content. The stability and performance of these platforms and systems directly influence transaction volumes, usage frequency and customer retention rate. In addition, our content licensing services and content customization services delivered are powered by AI-driven tools integrated into our proprietary platforms, enabling features including AI-assisted search, AI-assisted image editing, AI-assisted content matching and AI-empowered one-click video generation. The underlying architecture includes computing, data-processing and system-integration to deliver consistent service quality and convenient user experience. Maintaining secure and reliable platforms for delivering our service is essential for our revenue growth. We are continuously investing in development and optimization of our platforms and systems. In particular, we expect to focus on enhancing the AI capabilities of our platforms and systems. We plan to increase our investment in AI-related R&D using the [REDACTED] from the [REDACTED]. See "Future Plans and Use of [REDACTED]." We believe that our R&D investment will help us preserve our competitive strengths and improve our financial performance.

Our Customer Base

Our business and financial performance depend on our ability to maintain strong relationships with existing customers and expand our customer base. We serve a broad and diversified customer base including news media, internet companies, brands and advertising agencies. We continuously expand our customer base and deepen customer engagement through our multi-channel content-delivery platforms and our customer-centric service offerings. For content licensing services, we strive to preserve a stable base of KA customers and enhance loyalty and repeat purchases of our long-term customers. For example, we designate sales staff to regularly communicate with our KA and long-term customers to identify potential needs for optimization of our service delivery, including upgrades of API distribution channel and enhancements to user interaction on our online platforms. The number of KA customers of content licensing services was 776, 724 and 631 in 2023, 2024 and 2025, repectively. For content customization services, we focus on expanding our customer base through increasing our recognition in the market. During the Track Record Period, the cumulative number of customers served under our content customization services increased from 395 in 2023 to 467 in 2025. The number of new customers of content customization services was 51, 45 and 53 in 2023, 2024 and 2025, respectively. At the same time, as our service capabilities continue to improve, we leverage our industry insights and long-term relationships with existing customers of content licensing services to identify their needs for customized content across different application scenarios. These customers are generally more willing to adopt our customization services based on their cooperation with us. The average customer value of our content customization services increased from RMB1.5 million in 2023 to RMB1.9 million in 2025. Moreover, AI tools integrated in our online platforms help us to streamline our workflow for searching and producing visual content, improving our content production efficiency. Our AI-enabled capabilities enable us to offer a more integrated and end-to-end service covering visual content creation and customization, which supports the retention of our key customer base. We continue to expand the breadth and depth of our customer base through our service platforms and distribution channels. Going forward, we expect to further grow our customer base by attracting new customers across our existing application scenarios and expanding the use cases of our diversified service offerings.

Our Ability to Effectively Manage Our Costs and Improve Operational Efficiencies

Our profitability and sustainable growth depend in part on our ability to effectively control our cost of revenue and improve operational efficiency. We had cost of revenue of RMB380.7 million, RMB431.5 million and RMB454.0 million in 2023, 2024 and 2025, respectively. Our cost of revenue consisted of revenue-sharing cost and content production cost. Revenue sharing cost accounted for 66.9%, 67.5% and 61.2% of our cost of revenue in 2023, 2024 and 2025, respectively. Revenue sharing cost represents licensing fees paid to content providers. Such licensing fee is generally calculated based on fixed percentage of revenue generated from the licensed content. As a result, our revenue sharing cost during the Track Record Period was generally in line with the trajectory of our revenue. Content production cost primarily includes fees paid to third-party photographers, videographers, post-production vendors and creative agencies, as well as rental costs for premises and equipment. Going forward, we will continue to manage our cost of revenue by maintaining stable revenue-sharing arrangements, streamlining content production workflow through application of AI tools and enhancing management of key processes across the content supply chain. Our well-established long-term relationship with quality upstream content providers enables us to maintain a large-scale and high-quality content library and efficiently match customized customer demand with suitable suppliers, improving service efficiency. In addition, we strive to maintain efficient control over our expenses to enhance our results of operation. For example, our selling and distribution expenses decreased from RMB88.5 million in 2023 to RMB82.2 million in 2024 and further to RMB82.1 million in 2025. Such decrease reflects our strategies to optimize marketing efficiency. We will continuously assess and monitor the efficiency of our sales, marketing and administrative functions to ensure effective cost control.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies which 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. There has not been any material deviation from 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. When reviewing our financial statements, you should consider the selection of our accounting policies, the judgments applied in their implementation and the sensitivity of reported results to changes in assumptions and conditions. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in details in Note 2 and Note 3 of Appendix I to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our results of operations for the years indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**780,830**	**811,184**	**778,470**
Cost of revenue	(380,747)	(431,501)	(454,012)
Gross profit	**400,083**	**379,683**	**324,458**
Other net income	33,549	9,849	20,572
Selling and distribution expenses	(88,480)	(82,154)	(82,069)
Administrative expenses	(103,583)	(117,330)	(110,812)
Research and development expenses	(99,061)	(72,698)	(73,024)
Impairment loss on trade receivables, deposits and other receivables	(12,749)	(6,965)	(3,626)
Profit from operations	**129,759**	**110,385**	**75,499**
Finance costs	(8,893)	(10,212)	(10,281)
Share of profits less losses of a joint venture and associates	46,766	42,111	32,795
Profit before taxation	**167,632**	**142,284**	**98,013**
Income tax	(13,586)	(12,086)	(5,339)
Profit for the year	**154,046**	**130,198**	**92,674**

Revenue

Our total revenue remained relatively stable at RMB780.8 million in 2023, RMB811.2 million in 2024, and RMB778.5 million in 2025.

Revenue by Business Line

During the Track Record Period, we generated revenue from (i) content licensing services; (ii) content customization services; and (iii) value-added services. During the Track Record Period, we derived a majority of our revenue from content licensing services. Our revenue from content licensing service was RMB575.2 million, RMB609.6 million and RMB523.7 million in 2023, 2024 and 2025, respectively, accounting for 73.7%, 75.1% and 67.2% of our total revenue in the same respective years.

The following table sets forth a breakdown of our revenue by business line in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Content Licensing Services	575,209	73.7	609,585	75.1	523,688	67.2
Content Customization Services	151,620	19.4	163,763	20.2	209,240	26.9
Value-added Services[(1)]	54,001	6.9	37,836	4.7	45,542	5.9
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Note:

(1) Value-added services mainly include AI training data services, digital asset management services, visual content solutions for smart devices and content providers' community operations.

Revenue by Geographical Location

During the Track Record Period, we generated revenue from Chinese Mainland and overseas markets. Our revenue from overseas markets primarily includes license fees and royalties paid by overseas partners and membership fees of international *500px.com*. Our revenue from Chinese Mainland remained relatively stable at RMB732.4 million, RMB763.9 million and RMB733.4 million in 2023, 2024 and 2025, respectively. Our revenue from overseas remained relatively stable at RMB48.4 million, RMB47.2 million and RMB45.0 million in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our revenue by geographical location in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	732,435	93.8	763,936	94.2	733,428	94.2
Overseas[(1)]	48,395	6.2	47,248	5.8	45,042	5.8
Total	**780,830**	**100.0**	**811,184**	**100.0**	**778,470**	**100.0**

Note:

(1) Revenue from overseas customers, primarily in the United States, United Kingdom, Germany and Japan.

Cost of Revenue

Our cost of revenue amounted to RMB380.7 million, RMB431.5 million and RMB454.0 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our cost of revenue primarily consisted of (i) revenue sharing costs, mainly representing our fees paid to content providers; and (ii) content production costs, mainly representing our fees paid to third-party photographers, videographers, post-production vendors and creative agencies, as well as rental costs for premises and equipment.

The following table sets forth a breakdown of our cost of revenue by nature in absolute amount and as a percentage of our total cost of revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue sharing costs	254,785	66.9	291,123	67.5	277,724	61.2
Content production costs	125,962	33.1	140,378	32.5	176,288	38.8
Total	**380,747**	**100.0**	**431,501**	**100.0**	**454,012**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB400.1 million, RMB379.7 million and RMB324.5 million in 2023, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin by Business Line

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Content Licensing Services	324,062	56.3	328,112	53.8	259,112	49.5
Content Customization Services	27,566	18.2	24,704	15.1	34,342	16.4
Value-added Services(1)	48,455	89.7	26,867	71.0	31,004	68.1
Total	**400,083**	**51.2**	**379,683**	**46.8**	**324,458**	**41.7**

Note:

(1) Value-added services mainly include AI training data services, digital asset management services, visual content solutions for smart devices and content providers' community operations.

Other Net Income

Our other net income amounted to RMB33.5 million, RMB9.8 million and RMB20.6 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our other net income primarily consisted of (i) interest income mainly related to our bank deposits; (ii) government grants, mainly from local government authorities in recognition of our contribution to local economy, one-off in nature for each year; (iii) net foreign exchange loss; (iv) remeasurement gain on acquisition of a subsidiary, mainly representing the remeasurement to fair value of our Group's existing 30% equity interests in Chengdu Guangchang, resulting in a gain; (v) changes in fair value of financial assets measured at FVPL, mainly in relation to our equity interests in MiniMax. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets Measured at FVPL;" and (vi) impairment loss on investments in an associate. See Note 5 of Appendix I to this document.

The following table sets forth a breakdown of our other net income in absolute amount and as a percentage of our total other net income for the years indicated:

	Years ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Interest income	4,334	12.9	8,220	83.5	7,148	34.7
Government grants	4,631	13.8	6,718	68.2	2,293	11.1
Net foreign exchange loss	(6,988)	(20.8)	(1,256)	(12.8)	(1,502)	(7.3)
Remeasurement gain on acquisition of a subsidiary	31,095	92.7	—	—	—	—
Changes in fair value of financial assets measured at FVPL	2,354	7.0	676	6.9	15,921	77.4
Impairment loss on interest in an associate	—	—	(3,459)	(35.1)	(2,064)	(10.0)
Others	(1,877)	(5.6)	(1,050)	(10.7)	(1,224)	(5.9)
Total	**33,549**	**100.0**	**9,849**	**100.0**	**20,572**	**100.0**

Selling and Distribution Expenses

Our selling and distribution expenses amounted to RMB88.5 million, RMB82.2 million and RMB82.1 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our selling and distribution expenses primarily consisted of (i) staff costs, mainly representing salaries, bonuses and other employee benefits obtained by our sales and marketing team; (ii) marketing expenses mainly related to our online marketing activities; and (iii) depreciation and amortization mainly related to our office premises.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total selling and distribution expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	65,472	74.0	62,473	76.0	58,002	70.7
Marketing expenses	15,316	17.3	12,809	15.6	16,479	20.1
Depreciation and amortization	3,879	4.4	4,675	5.7	5,027	6.1
Others[(1)]	3,813	4.3	2,197	2.7	2,561	3.1
Total	**88,480**	**100.0**	**82,154**	**100.0**	**82,069**	**100.0**

Note:

(1) Mainly including travel expenses.

Administrative Expenses

Our administrative expenses amounted to RMB103.6 million, RMB117.3 million and RMB110.8 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, mainly representing salaries, bonuses and other employee benefits obtained by our administrative team; (ii) technology service fees, mainly in relation to cloud server fees; (iii) depreciation and amortization primarily related to our office premises; (iv) professional service fees, mainly in relation to consultation services for assets' value, financial audit and legal compliance; (v) tax surcharges, including various tax surcharges arising from value-added tax payments; and (vi) share-based payments expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	54,421	52.5	50,909	43.5	50,681	45.7
Technology service fees	11,740	11.3	19,320	16.5	21,158	19.1
Depreciation and amortization	16,182	15.6	15,546	13.2	14,019	12.7
Professional service fees	13,454	13.0	12,014	10.2	9,899	8.9
Tax surcharges	3,204	3.1	3,024	2.6	3,416	3.1
Share-based payments expenses	(5,428)	(5.2)	6,722	5.7	(59)	(0.1)
Others[(1)]	10,010	9.7	9,795	8.3	11,698	10.6
Total	**103,583**	**100.0**	**117,330**	**100.0**	**110,812**	**100.0**

Note:

(1) Mainly including office expenses and travel expenses.

Research and Development Expenses

Our research and development expenses amounted to RMB99.1 million, RMB72.7 million and RMB73.0 million in 2023, 2024 and 2025, respectively. During the Track Record Period, our research and development expenses primarily consisted of (i) staff costs, mainly representing salaries, bonuses and other employee benefits obtained by our R&D team; (ii) technology service fees, mainly related to cloud server fees and outsourced R&D activities; and (iii) depreciation and amortization mainly relation to softwares and proprietary platforms.

The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Staff costs	38,376	38.7	42,879	59.0	39,629	54.3
Technology service fees	40,342	40.7	7,334	10.0	8,207	11.2
Depreciation and amortization	18,988	19.2	21,497	29.6	24,097	33.0
Others[(1)]	1,355	1.4	988	1.4	1,091	1.5
Total	**99,061**	**100.0**	**72,698**	**100.0**	**73,024**	**100.0**

Note:

(1) Mainly including communication expenses and office expenses.

Impairment Loss on Trade Receivables, Deposits and Other Receivables

We recorded impairment loss on trade and bills receivables and other receivables of RMB12.7 million, RMB7.0 million and RMB3.6 million in 2023, 2024 and 2025, respectively, mainly related to the impairment of trade receivables and other receivables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Prepayments, Deposits and Other Receivables."

Finance Costs

Our finance costs consisted of interest on bank loans and other borrowings and interest on lease liabilities. We had finance costs of RMB8.9 million, RMB10.2 million and RMB10.3 million in 2023, 2024 and 2025, respectively. For further details of the bank loans and other borrowings as well as lease liabilities, see "— Indebtedness."

Share of Profits less Losses of a Joint Venture and Associates

Our share of profits less losses of a joint venture and associates related to our investments in the respective entities. See Notes 16 of Appendix I to this document. We recorded share of profits of a joint venture and associates of RMB46.8 million, RMB42.1 million and RMB32.8 million in 2023, 2024 and 2025, respectively. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Investments in a Joint Venture and Associates."

Income Tax

We recorded income tax expense of RMB13.6 million, RMB12.1 million and RMB5.3 million in 2023, 2024 and 2025, respectively, mainly representing current income tax provisioned by us under the PRC income tax laws and regulations.

PRC Corporate Income Tax. In accordance with the relevant regulations of the Enterprise Income Tax laws (the "**EIT laws**") of the PRC, the applicable statutory tax rate of the PRC entities is 25% unless those subject to tax exemption as set out below. Our Company and certain of our subsidiaries have obtained High and New Technology Enterprise certifications and are hence entitled to a preferential tax rate of 15% during the Track Record Period. One of our subsidiaries has obtained the High and New Technology Enterprise certification since October 2025. Certain of our subsidiaries have been approved as Small and Low-profit Enterprises (小型微利企業). For the annual taxable income of a Small and Low-profit Enterprise which is not more than RMB3,000,000, 75% of its taxable income is not subject to EIT and the remaining 25% of its taxable income is subject to EIT at a tax rate of 20%.

Hong Kong Profit Tax. Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profit tax at 16.5% of the estimated assessable profit, except one subsidiary which is subject to the two-tiered profits tax rate regime. For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Canada Tax. Our subsidiary established in the Canada is subject to a unified Federal CIT rate of 15% and provincial income tax rate of 11.5%.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC, and we were not aware of any material outstanding or potential disputes with such tax authorities.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue slightly decreased from RMB811.2 million in 2024 to RMB778.5 million in 2025, primarily due to a decrease in revenue from content licensing services, partially offset by an increase in revenue from content customization services.

Our revenue from content licensing services decreased by 14.1% from RMB609.6 million in 2024 to RMB523.7 million in 2025, primarily due to customers' marketing budget control, which resulted in reduced spending on our content licensing services.

Our revenue from content customization services increased by 27.8% from RMB163.8 million in 2024 to RMB209.2 million in 2025, primarily due to (i) the increased number of customers, particularly the increased number of new customers; and (ii) the increased spending of our customers on our content customization services, driven by our capabilities of addressing evolving customer needs for customized content and enhanced service quality and efficiency, mainly attributable to (i) AI technologies integrated into our workflow; and (ii) enhancements in integrating and managing the content supply chain.

Our revenue from value-added services increased by 20.4% from RMB37.8 million in 2024 to RMB45.5 million, mainly due to an increase in AI training data services, primarily because such services are project-based and we recorded an increase in the number of projects in 2025 compared with 2024.

Cost of Revenue

Our cost of revenue increased by 5.2% from RMB431.5 million in 2024 to RMB454.0 million in 2025, primarily due to an increase in content production cost, as a result of the increasing demand for our content customization services, despite the decrease in our revenue sharing cost resulting from the decreased revenue from content licensing services.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased from RMB379.7 million in 2024 to RMB324.5 million in 2025, primarily due to a decrease in the gross profit of our content licensing services. Our gross profit margin decreased from 46.8% in 2024 to 41.7% in 2025, primarily due to (i) a decrease in the gross profit margin of content licensing services, driven by the increased revenue contribution from content licensing services for videos, which had relatively higher revenue sharing with its content providers; and (ii) the increased revenue contribution of content customization services that typically had lower gross profit margin compared with content licensing services. Our gross profit margin of content customization services increased from 15.1% in 2024 to 16.4% in 2025, primarily due to our increased service efficiency empowered by AI technologies.

Other Net Income

Our other net income increased significantly from RMB9.8 million in 2024 to RMB20.6 million in 2025, primarily due to the increase in changes in fair value of financial assets measured at FVPL, resulting from our new investments in unlisted equity security mainly in relation to changes in fair value of our investment in MiniMax, and investments in structured deposits.

Selling and Distribution Expenses

Our selling and distribution expenses remained relatively stable at RMB82.2 million in 2024 and RMB82.1 million in 2025, mainly attributable to a decrease in staff costs resulting from the optimization of our sales and marketing team structure, partially offset by an increase in marketing expenses for online marketing activities on social media platforms.

Administrative Expenses

Our administrative expenses decreased by 5.6% from RMB117.3 million in 2024 to RMB110.8 million in 2025, primarily due to a reversal of previously recognized share-based payment expenses, resulting from unachieved conditions of our employee stock ownership plan.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB72.7 million in 2024 and RMB73.0 million in 2025, mainly attributable to an increase in depreciation and amortization, partially offset by a decrease in staff costs resulting from the optimization of our R&D team structure.

Impairment Loss on Trade Receivables, Deposits and Other Receivables

Our impairment loss on trade receivables, deposits and other receivables decreased by 47.9% from RMB7.0 million in 2024 to RMB3.6 million in 2025, primarily due to a decrease in trade receivables.

Finance Costs

Our finance costs remained relatively stable at RMB10.2 million in 2024 and RMB10.3 million in 2025.

Share of Profits less Losses of a Joint Venture and Associates

Our share of profits less losses of a joint venture and associates decreased by 22.1% from RMB42.1 million in 2024 to RMB32.8 million in 2025, which reflected the operation results of the associates we invested in.

Income Tax

Our income tax decreased by 55.8% from RMB12.1 million in 2024 to RMB5.3 million in 2025, primarily due to the decrease in current income tax, which was generally in line with the decrease in our profit before tax of the same year.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 28.8% from RMB130.2 million in 2024 to RMB92.7 million in 2025.

Year ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue remained relatively stable at RMB780.8 million in 2023 and RMB811.2 million in 2024.

Our revenue from content licensing services increased by 6.0% from RMB575.2 million in 2023 to RMB609.6 million in 2024, primarily due to the increased revenue contribution of content licensing services for videos in 2024, following the consolidation of this business segment into our financial statements since April 2023. Following the consolidation, we have strengthened synergies between this new business segment and the existing offerings, supporting the overall optimization of our service portfolio.

Our revenue from content customization services increased by 8.0% from RMB151.6 million to RMB163.8 million, primarily due to an increase in average cutomer value, driven by our enhanced service delivery quality and efficiency mainly attributable to (i) AI technologies integrated into our workflow; and (ii) enhancements in integrating and managing the content supply chain.

Our revenue from value-added services decreased by 29.9% from RMB54.0 million in 2023 to RMB37.8 million in 2024, primarily due to the decrease in revenue from AI training data services, primarily because such services are project-based and the contract value of projects in 2024 was relatively lower compared with 2023.

Cost of Revenue

Our cost of revenue increased by 13.3% from RMB380.7 million in 2023 to RMB431.5 million in 2024, primarily due to the consolidation of content licensing businesses for videos into us since April 2023, which typically offered higher revenue sharing with content providers. See "— Pre-acquisition Financial Information of Chengdu Guangchang."

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased from RMB400.1 million in 2023 to RMB379.7 million in 2024, primarily due to (i) a decrease in gross profit of our value-added services; and (ii) a decrease in gross profit of our content customization services. Our gross profit margin decreased from 51.2% in 2023 to 46.8% in 2024, primarily due to a decrease in the gross profit margin of content licensing services driven by the increased revenue contribution from content licensing services for videos, which had relatively higher revenue sharing with its content providers.

Other Net Income

Our other net income decreased from RMB33.5 million in 2023 to RMB9.8 million in 2024, primarily due to the decrease in remeasurement gain on acquisition of a subsidiary, mainly because the remeasured gains in relation to remeasurement of fair value of our existing 30% equity interests in Chengdu Guangchang prior to its consolidation into us since April 2023 was recorded in 2023.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 7.1% from RMB88.5 million in 2023 to RMB82.2 million in 2024, primarily due to (i) a decrease in staff costs of selling and distribution team, mainly driven by the optimization of staffing structure; and (ii) a decrease in marketing expenses, mainly driven by our strategies to optimize marketing efficiency.

Administrative Expenses

Our administrative expenses increased by 13.3% from RMB103.6 million in 2023 to RMB117.3 million in 2024, primarily due to (i) an increase in technology service fees, mainly because the cloud server fees in 2023 were mainly for R&D activities, while the cloud server fees in 2024 were mainly for general administrative activities; and (ii) an increase in share-based payments, mainly driven by the reversal of expenses in 2023 attributable to (a) lapse of the previous round of share-based incentive plans and (b) the recognition of expenses relating to a new round of share-based incentive plans granted at the end of 2023.

Research and Development Expenses

Our research and development expenses decreased by 26.6% from RMB99.1 million in 2023 to RMB72.7 million in 2024, primarily due to a decrease in technology service fees, mainly because (i) we adjusted our R&D strategies to reallocate R&D activities mainly for development of basic functions in our platforms outsourced to third-party service suppliers in 2023 to our in-house operations, leading to the decreased outsourced service fees despite an increase in our staff costs in 2024; and (ii) the cloud server fees in 2023 were mainly for R&D activities, while the cloud server fees in 2024 were mainly for general administrative activities.

Impairment Loss on Trade Receivables, Deposits and Other Receivables

Our impairment loss on trade receivables, deposits and other receivables decreased by 45.4% from RMB12.7 million in 2023 to RMB7.0 million in 2024, primarily due to the improved collection of long-aged receivables, which were over one year.

Finance Costs

Our finance costs increased by 14.8% from RMB8.9 million in 2023 to RMB10.2 million in 2024, primarily due to the increase in interest on bank loans and other borrowings, mainly driven by the increased amount of our bank facilities in 2024.

Share of Profits less Losses of a Joint Venture and Associates

Our share of profits less losses of a joint venture and associates decreased by 10.0% from RMB46.8 million in 2023 to RMB42.1 million in 2024, which reflected the operation results of the associates we invested in.

Income Tax

Our income tax decreased by 11.0% from RMB13.6 million in 2023 to RMB12.1 million in 2024, primarily due to a decrease in current income tax, which was generally in line with the decrease in our profit before tax of the same year.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 15.5% from RMB154.0 million in 2023 to RMB130.2 million in 2024.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property and equipment	37,214	26,107	54,898
Intangible assets	228,044	226,417	223,951
Goodwill	1,351,448	1,352,876	1,350,720
Interests in a joint venture and associates	1,286,676	1,295,862	1,167,884
Financial assets measured at FVOCI	31,537	30,942	94,292
Financial assets measured at FVPL	15,236	15,148	14,899
Deferred tax assets	10,902	12,347	17,648
Other non-current assets	560,342	573,534	562,263
Total non-current assets	**3,521,399**	**3,533,233**	**3,486,555**
Current assets			
Trade and bills receivables	166,781	165,630	147,230
Prepayments, deposits and other receivables	52,981	44,132	89,537
Financial assets measured at FVPL	30,000	190	132,808
Restricted cash	56,662	—	21,489
Cash and cash equivalents	350,572	533,520	467,743
Total current assets	**656,996**	**743,472**	**858,807**
Current liabilities			
Trade payables	150,564	154,418	151,784
Other payables and accruals	67,418	68,551	117,994
Contract liabilities	118,247	112,358	127,530
Bank loans	89,212	99,326	54,625
Current lease liabilities	9,501	8,868	8,430
Current taxation	16,226	14,887	13,112
Total current liabilities	**451,168**	**458,408**	**473,475**
Net current assets	**205,828**	**285,064**	**385,332**
Total assets less current liabilities	**3,727,227**	**3,818,297**	**3,871,887**

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities			
Other non-current liabilities	191,985	184,522	168,691
Non-current lease liabilities	23,511	15,625	38,231
Deferred tax liabilities	15,637	12,564	16,390
Total non-current liabilities	**231,133**	**212,711**	**223,312**
Net assets	**3,496,094**	**3,605,586**	**3,648,575**
Capital and reserves			
Share capital	73,893	73,893	73,893
Reserves	3,393,647	3,496,110	3,539,550
Total equity attributable to equity shareholders of the Company	**3,467,540**	**3,570,003**	**3,613,443**
Non-controlling interests	28,554	35,583	35,132
Total equity	**3,496,094**	**3,605,586**	**3,648,575**

Goodwill

Our goodwill mainly arose in our acquisition of the respective entities. Our goodwill remained relatively stable at RMB1,351.4 million as of December 31, 2023, RMB1,352.9 million as of December 31, 2024 and RMB1,350.7 million as of December 31, 2025. Our goodwill is allocated to our Group's CGUs identified according to type of business as follows.

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Entertainment visual content	90,602	90,602	90,602
500PX community	95,679	97,107	94,951
Creative image designer community	52,873	52,873	52,873
Tianjin Five Hundred Pixel photography community	41,312	41,312	41,312
Video content business	146,665	146,665	146,665
Visual content business	924,317	924,317	924,317
Total	1,351,448	1,352,876	1,350,720

We generally perform goodwill impairment test on an annual basis, or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Our management performed the impairment assessment with the assistance of an independent professional valuer. The recoverable amount of the CGU was determined based on value-in-use calculations. The value-in-use calculations used cash flow projections based on financial budgets approved by management covering a five-year period. For key assumptions used in estimating the recoverable amount, see Note 13 of Appendix I to this document.

Interests in a Joint Venture and Associates

Our interests in a joint venture and associates remained relatively stable at RMB1,286.7 million as of December 31, 2023 and RMB1,295.9 million as of December 31, 2024. Our interests in a joint venture and associates decreased by 9.9% from RMB1,295.9 million as of December 31, 2024 to RMB1,167.9 million as of December 31, 2025, primarily due to the reclassification of our interests in our associate, Guangdong Yijiao Youpei Education Technology Co., Ltd. ("**Yijiao Youpei**"), to financial assets measured at FVOCI, following the disposal of parts of our equity interests in Yijiao Youpei. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets Measured at FVOCI."

Other Non-current Assets

Our other non-current assets were primarily Corbis Content. The following table sets forth a breakdown of our other non-current assets as of the dates indicated:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Corbis Content	557,750	565,921	553,583
Deposits	2,466	6,645	6,332
Others	126	968	2,348
Total	**560,342**	**573,534**	**562,263**

See Note 14 of Appendix I to this document.

Property and Equipment

Our property and equipment mainly consisted of (i) right-of-use assets in relation to our leased office premises; (ii) leasehold improvement; (iii) office and electronic equipment; and (iv) vehicles. The following table sets forth a breakdown of our property and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets	32,717	23,943	47,353
Leasehold improvement	2,962	1,222	5,713
Office and electronic equipment	1,272	755	1,785
Vehicles	181	117	—
Others	82	70	47
Total	**37,214**	**26,107**	**54,898**

Our property and equipment decreased by 29.9% from RMB37.2 million as of December 31, 2023 to RMB26.1 million as of December 31, 2024, primarily due to a decrease in the right-of-use assets driven by the depreciation of certain office lease. Our property and equipment increased from RMB26.1 million as of December 31, 2024 to RMB54.9 million as of December 31, 2025, primarily due to an increase in our right-of-use assets resulting from the new lease for office use.

Intangible Assets

Our intangible assets primarily consisted of (i) software; (ii) trademark; and (iii) royalty rights related to content buyout. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Software	178,755	182,531	182,566
Trademark	49,196	43,886	41,385
Royalty rights(1)	93	—	—
Total	**228,044**	**226,417**	**223,951**

Note:

(1) The royalty rights related to a five-year content buyout arrangement and were fully amortized in 2023.

Our intangible assets remained relatively stable at RMB228.0 million as of December 31, 2023, RMB226.4 million as of December 31, 2024 and RMB224.0 million as of December 31, 2025.

Financial Assets Measured at FVOCI

Our financial assets measured at FVOCI primarily represented our equity interests in unlisted companies. Our financial assets measured at FVOCI remained relatively stable at RMB31.5 million and RMB30.9 million as of December 31, 2023 and as of December 31, 2024. Our financial assets at FVOCI increased significantly from RMB30.9 million as of December 31, 2024 to RMB94.3 million as of December 31, 2025, primarily due to (i) the reclassification of our equity interests in our associate, Guangdong Yijiao Youpei, after our disposal of part of our interest in Yijiao Youpei. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Interests in a Joint Venture and Associates;" and (ii) our equity investments in Beijing Shengshu Technology Co., Ltd.

Trade and Bills Receivables

Our trade and bills receivables mainly represented the outstanding trade receivables from our customers during our ordinary course of business. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables	535	1,193	1,129
Trade receivables			
— third parties	204,198	207,973	191,061
— related parties	1,485	1,211	1,211
Less: credit loss allowance	(39,437)	(44,747)	(46,171)
Trade and bills receivables	**166,781**	**165,630**	**147,230**

Our trade and bills receivables remained relatively stable at RMB166.8 million and RMB165.6 million as of December 31, 2023 and as of December 31, 2024, respectively. Our trade and bills receivables decreased by 11.1% from RMB165.6 million as of December 31, 2024 to RMB147.2 million as of December 31, 2025, primarily due to a decrease in trade receivables from our customers, following the decrease in our revenue from content licensing services.

The following table sets forth an aging analysis of our trade receivables based on the invoice dates and net of loss allowance as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	131,976	139,299	127,977
One to two years	19,718	6,961	6,778
Two to three years	10,837	10,830	1,539
Over three years	3,715	7,347	9,807
Total	**166,246**	**164,437**	**146,101**

We typically offer such major customers a credit period within 180 days. We seek to maintain strict control over our outstanding trade and bills receivables. We also closely monitor the outstanding balances of receivables from the customers on an ongoing basis. During the Track Record Period, a majority of our trade and bills receivables, being 79.4%, 84.7% and 87.6% as of December 31, 2023, 2024 and 2025, respectively, were aged within one year.

The following table sets forth the turnover days of our trade receivables for the years indicated:

	Year ended December 31,		
	2023	2024	2025
		(days)	
Trade receivables turnover days(1)	103.7	92.1	92.8

Note:

(1) Trade receivables turnover days for a year equal the average of opening and closing balance of trade receivables for the relevant year divided by revenue for the relevant year and multiplied by the number of days in the relevant year, which is 360 days for each year.

Our trade receivables turnover days decreased from 103.7 days in 2023 to 92.1 days in 2024, primarily because we expanded into content licensing services for videos since April 2023, which have relatively shorter settlement period. Our trade receivables turnover days remained relatively stable at 92.1 days in 2024 to 92.8 days in 2025.

As of April 30, 2026, RMB88.5 million, or 46.0% of our trade receivables as of December 31, 2025, had been settled.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consisted of (i) prepayment to content providers or suppliers, mainly representing prepayments to our content providers and third-party photographers, videographers, post-production vendors and creative agencies; (ii) the dividend receivable related to our equity investments in Yijiao Youpei and Getty Images SEA Holding Co., Ltd. ("**Getty Images SEA**"); (iii) input value-added tax ("**VAT**") recoverable and prepaid income tax; (iv) deposits mainly represented contract performance deposits to our customers; (v) receivables from sale of investments in relation to disposal of our equity interest in our associates; and (vi) [REDACTED] to be deducted from equity. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayment to content provider or suppliers	15,702	14,682	34,570
Dividend receivable	37,925	30,849	32,017
Input VAT recoverable and prepaid income tax	2,173	2,896	4,895
Deposits	1,122	1,465	729
Receivables from sale of investments	8,600	600	23,820
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	4,762	4,829	2,641
Less: credit loss allowance	(17,303)	(11,189)	(9,639)
Total	**52,981**	**44,132**	**89,537**

Our prepayments, deposits other receivables decreased by 16.7% from RMB53.0 million as of December 31, 2023 to RMB44.1 million as of December 31, 2024, primarily due to a decrease in receivables from sale of investments, driven by the collection of outstanding receivables related to the disposal of our equity interests in Xiamen Visual Xiang Technology Ltd. (厦門視覺像科技有限公司). Our prepayments, deposits and other receivables increased significantly from RMB44.1 million as of December 31, 2024 to RMB89.5 million as of December 31, 2025, primarily due to (i) an increase in receivables from sale of investments related to the disposal of our equity interests in Yijiao Youpei; and (ii) an increase in prepayment to the third-party photographers, videographers, post-production vendors and creative agencies mainly related to content customization services.

Financial Assets Measured at FVPL

Financial assets measured at FVPL mainly represented (i) structure deposits; (ii) interests in funds; (iii) interests in unlisted equity securities; and (iv) wealth management products. Our financial assets measured at FVPL decreased significantly from RMB45.2 million as of December 31, 2023 to RMB15.3 million as of December 31, 2024, primarily due to the redemption of structured deposits purchased by us upon maturity. Our financial assets measured at FVPL increased significantly from RMB15.3 million as of December 31, 2024 to RMB147.7 million as of December 31, 2025, primarily due to (i) our purchase of new structure deposits in 2025 that did not mature by the end of 2025; and (ii) our equity investments in MiniMax.

During the Track Record Period, we had certain financial assets categorized within Level 3 of fair value measurement ("**Level 3 Financial Assets**"). Our Level 3 Financial Assets include interests in funds, interests in unlisted equity securities and interests in film right. We have reviewed the fair value measurement of the Level 3 Financial Assets, taking into account the valuation techniques and assumptions of unobservable inputs in order to determine if the fair value measurement of Level 3

Financial Assets is in compliance with the applicable IFRS Accounting Standards. Details of the fair value measurement of financial assets at FVPL are disclosed in Note 31 to the Accountants' Report in Appendix I to this document.

Trade Payables

Our trade payables primarily represented the amounts payable to our content providers and third-party photographers, videographers, post-production vendors and creative agencies. Our trade payables remained relatively stable at RMB150.6 million as of December 31, 2023, RMB154.4 million as of December 31, 2024 and RMB151.8 million as of December 31, 2025, respectively. The following table sets forth an aging analysis of the trade payables based on the invoice dates as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	140,747	145,602	142,323
One to two years	7,418	5,414	6,527
Over two years	2,399	3,402	2,934
Total	**150,564**	**154,418**	**151,784**

The following table sets forth the turnover days of our trade payables for the years indicated:

	As of December 31,		
	2023	**2024**	**2025**
		(days)	
Trade payables turnover days(1)	141.8	127.2	121.4

Note:

(1) Trade payables turnover days for a year equal the average of the opening and closing balance of trade payables for the relevant year divided by the cost of revenue for the relevant year and multiplied by the number of days in the relevant year, which is 360 days for each year.

Our trade payables turnover days decreased from 141.8 days in 2023 and 127.2 days in 2024, primarily due to the consolidation of content licensing business for videos into us in April 2023. As only three quarters of cost of revenue in relation to the new business segment for videos content licensing was consolidated in 2023 while the related trade payables balances were recognised upon consolidation, the trade payables turnover days in 2023 were higher than 2024. Our trade payables turnover days remained relatively stable at 127.2 days in 2024 and 121.4 days in 2025.

As of April 30, 2026, RMB63.2 million, or 41.6% of our trade payables as of December 31, 2025 had been settled.

Other Payables and Accruals

Our other payables and accruals primarily consisted of (i) staff costs payables mainly representing salaries, bonuses and other employee benefits payable to our employees; (ii) payables for services mainly related to cloud servers and consultation services for assets' value, financial audit and legal compliance; (iii) advance payment for restricted shares mainly related to our share-based incentive plans; and (iv) redemption liabilities associated with the issuance of new shares with redemption rights of one of our subsidiaries to a third-party investor. The following table sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Staff costs payables	19,225	24,998	20,306
Payables for services	7,714	8,873	13,439
Advance payment for restricted shares	13,743	9,471	6,286
Redemption liabilities	—	—	51,144
Consideration payable for business combination	10,000	10,000	12,000
Consideration payable for investments in an associate	2,000	—	—
Other taxes payable	11,093	13,134	12,465
Interests payable due to a related party	1,071	1,084	1,063
Dividend payable	59	30	57
Others	2,513	961	1,234
Total	**67,418**	**68,551**	**117,994**

Our other payables and accruals remained relatively stable at RMB67.4 million as of December 31, 2023 and RMB68.6 million as of December 31, 2024. Our other payables and accruals increased by 72.1% from RMB68.6 million as of December 31, 2024 to RMB118.0 million as of December 31, 2025, mainly due to an increase in redemption liabilities associated with the issuance of new shares with redemption rights of one of our subsidiaries to a third-party investor.

Contract Liabilities

Our contract liabilities primarily consisted of our estimated obligation for future performance of contracts, under which our customers paid certain amounts to us prior to the recognition of revenue. Our contract liabilities decreased by 5.0% from RMB118.2 million as of December 31, 2023 to RMB112.4 million as of December 31, 2024, primarily due to a decrease in advance payments received from our customers of content licensing services, along with their reduced spending on such services. Our contract liabilities increased by 13.5% from RMB112.4 million as of December 31, 2024 to RMB127.5 million as of December 31, 2025, primarily because we received payments from certain content customization projects, which had not yet achieved the relevant revenue recognition criteria as of December 31, 2025.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years indicated:

	Year ended or as of December 31,		
	2023	**2024**	**2025**
Gross profit margin (%)[(1)]	51.2	46.8	41.7
Current ratio[(2)]	1.5	1.6	1.8
Operating cash flow conversion ratio[(3)]	1.16	1.15	1.06

Notes:

(1) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(2) Current ratio equals total current assets divided by total current liabilities as of the relevant dates.

(3) Operating cash flow conversion ratio equals net cash generated from operating activities during the year divided by profit for the same year.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations and debt financing. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB350.6 million, RMB533.5 million and RMB467.7 million, respectively. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of operating cash flow, debt financing and the estimated net [REDACTED] received from the [REDACTED].

Cash Flow

The following table sets forth our cash flow for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash generated from operating activities	179,159	150,314	97,959
Net cash generated from/(used in) investing activities	776	16,132	(116,634)
Net cash (used in)/generated from financing activities	(59,102)	14,309	(43,129)
Net increase/(decrease) in cash and cash equivalents	120,833	180,755	(61,804)
Effect of foreign exchange rate changes	(1,280)	2,193	(3,973)
Cash and cash equivalents at beginning of the year	231,019	350,572	533,520
Cash and cash equivalents at the end of the year	**350,572**	**533,520**	**467,743**

Net Cash Generated from Operating Activities

Our net cash generated from operating activities primarily represented our profit before tax for the year adjusted by: (i) non-cash and non-operating items; (ii) tax paid; and (iii) changes in working capital.

In 2025, our net cash generated from operating activities was RMB98.0 million, which was primarily attributed to our profit before tax of RMB98.0 million, as adjusted by non-cash and non-operating items, which primarily comprised (i) amortization of intangible assets of RMB30.1 million; (ii) depreciation of right-of-use assets of RMB11.0 million; (iii) interest on bank loans of RMB8.6 million, partially offset by (i) share of profits less losses of a joint venture and associates of RMB32.8 million; and (ii) changes in fair value of financial assets measured at FVPL of RMB15.9 million. The amount was further adjusted by tax paid of RMB9.4 million and changes in working capital, which primarily consisted of (i) an increase in contract liabilities of RMB15.2 million; and (ii) a decrease in trade and bills receivables of RMB14.2 million, partially offset by (i) an increase in prepayment, deposits and other receivables of RMB19.8 million; (ii) a decrease in other payables and accruals of RMB6.7 million; and (iii) a decrease in trade and bill payables of RMB2.6 million.

In 2024, our net cash generated from operating activities was RMB150.3 million, which was primarily attributed to our profit before tax of RMB142.3 million, as adjusted by non-cash and non-operating items, which primarily comprised (i) amortization of intangible assets of RMB27.8 million; (ii) depreciation of right-of-use assets of RMB11.5 million; (iii) interest on bank loans of RMB8.8 million, partially offset by share of profits less losses of a joint venture and associates of RMB42.1 million. The amount was further adjusted by tax paid of RMB16.4 million and changes in working capital, which primarily consisted of (i) an increase in other payables and accruals of RMB4.5 million; and (ii) an increase in trade and bill payables of RMB3.9 million, partially offset by (i) a decrease in contract liabilities of RMB5.9 million; and (ii) an increase in trade and bills receivables of RMB4.9 million.

In 2023, our net cash generated from operating activities was RMB179.2 million, which was primarily attributed to our profit before tax of RMB167.6 million, as adjusted by non-cash and non-operating items, which primarily comprised (i) amortization of intangible assets of RMB25.5 million; (ii) impairment loss recognized on trade and other receivables of RMB12.7 million; (iii) depreciation of right-of-use assets of RMB11.1 million; and (iv) interest on bank loans of RMB7.2 million, partially offset by (i) share of profits less losses of a joint venture and associates of RMB46.8 million; and (ii) remeasurement gain on acquisition of a subsidiary of RMB31.1 million. The amount was further adjusted by tax paid of RMB17.3 million and changes in working capital, which primarily consisted of (i) a decrease in trade and bills receivables of RMB46.1 million; (ii) an increase in contract liabilities of RMB11.7 million; and (iii) a decrease in prepayment, deposits and other receivables of RMB7.5million, partially offset by (i) a decrease in trade and bills payables of RMB7.3 million and (ii) a decrease in other payables and accruals of RMB4.7 million.

Net Cash Generated from or Used in Investing Activities

In 2025, our net cash used in investing activities was RMB116.6 million, which was primarily attributable to payments for financial assets measured at FVPL and FVOCI of RMB804.7 million, partially offset by proceeds from disposal of financial assets measured at FVPL of RMB662.1 million.

In 2024, our net cash generated from investing activities was RMB16.1 million, which was primarily attributable to proceeds from disposal of financial assets measured at FVPL of RMB350.6 million, partially offset by payments for financial assets measured at FVPL and FVOCI of RMB338.1 million.

In 2023, our net cash generated from investing activities was RMB0.8 million, which was primarily attributable to dividends received from a joint venture and associates of RMB29.1 million, partially offset by (i) payment for property and equipment, and intangible assets of RMB28.3 million; and (ii) payments for financial assets measured at FVPL and FVOCI of RMB11.5 million.

Net Cash Used in or Generated from Financing Activities

In 2025, our net cash used in financing activities was RMB43.1 million, which was primarily attributable to (i) repayment of bank loans of RMB100.1 million; (ii) dividends paid to equity shareholders of our Company of RMB16.8 million; (iii) capital element of lease rentals paid of RMB10.8 million; and (iv) dividends paid to non-controlling interests of RMB10.1 million, partially offset by (i) proceeds from bank loans of RMB56.0 million; and (ii) proceeds from redemption liabilities of RMB50.0 million.

In 2024, our net cash generated from financing activities was RMB14.3 million, which was primarily attributable to (i) proceeds from bank loans of RMB151.3 million; and (ii) return on security deposits for bank borrowings of RMB56.7 million, partially offset by (i) repayment of bank loans of RMB140.5 million; (ii) dividends paid to equity shareholders of our Company of RMB20.3 million; and (iii) capital element of lease rentals paid of RMB11.2 million.

In 2023, our net cash used in financing activities was RMB59.1 million, which was primarily attributable to (i) payment of security deposits for bank borrowings of RMB56.4 million; (ii) payment for repurchase of shares of RMB35.8 million; (iii) repayment of bank loans of RMB26.9 million; (iv) capital element of lease rentals paid of RMB12.3 million; (v) acquisition of additional interests in a subsidiary of RMB10.5 million; and (vi) dividends paid to equity shareholders of our Company of RMB10.5 million, partially offset by proceeds from bank loans of RMB91.2 million.

Net Current Assets/Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current assets				
Trade and bills receivables	166,781	165,630	147,230	171,425
Prepayments, deposits and other receivables	52,981	44,132	89,537	108,870
Financial assets measured at FVPL	30,000	190	132,808	298,311
Restricted cash	56,662	—	21,489	—
Cash and cash equivalents	350,572	533,520	467,743	480,875
Total current assets	**656,996**	**743,472**	**858,807**	**1,059,481**
Current liabilities				
Trade payables	150,564	154,418	151,784	213,600
Other payables and accruals	67,418	68,551	117,994	111,196
Contract liabilities	118,247	112,358	127,530	113,300
Bank loans	89,212	99,326	54,625	84,653
Current lease liabilities	9,501	8,868	8,430	8,008
Current taxation	16,226	14,887	13,112	2,011
Total current liabilities	**451,168**	**458,408**	**473,475**	**532,768**
Net current assets	**205,828**	**285,064**	**385,332**	**526,713**

Our net current assets increased by 38.5% from RMB205.8 million as of December 31, 2023 to RMB285.1 million as of December 31, 2024. The increase was primarily due to an increase in cash and cash equivalents, mainly attributed to proceeds from our operating activities. Such increase was partially offset by (i) a decrease in restricted cash, attributable to the release of bank deposits previously pledged to secure bank borrowings; (ii) a decrease in financial assets measured at FVPL under current assets, primarily attributable to the redemption of structure deposits purchased by us upon maturity; and (iii) an increase in bank loans to supplement working capital for our daily operational needs.

Our net current assets increased by 35.2% from RMB285.1 million as of December 31, 2024 to RMB385.3 million as of December 31, 2025. The increase was primarily due to (i) an increase in financial assets measured at FVPL under current assets, primarily attributable to (a) purchase of new structure deposits, and (b) our equity investments in MiniMax; (ii) an increase in prepayments, deposits and other receivables, primarily related to (a) disposal of our equity interests in an associate, and (b) the increased prepayment to the third-party photographers, videographers, post-production vendors and creative agencies; and (iii) a decrease in bank loans, primarily attributable to the prepayment of certain bank loans. Such increase was partially offset by a decrease in cash and cash equivalents resulting from net cash used in investing and financing activities.

Our net current assets increased by 36.7% from RMB385.3 million as of December 31, 2025 to RMB526.7 million as of April 30, 2026. The increase was primarily due to an increase in financial assets measured at FVPL, primarily due to changes in fair value of our equity interests in MiniMax. Such increase was partially offset by an increase in trade payables for certain content customization projects which were within the credit period.

INDEBTEDNESS

As of April 30, 2026, being the indebtedness date for the purpose of the indebtedness statement, we had a total indebtedness of RMB348.5 million. The following table sets forth the details of our indebtedness as of April 30, 2026:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current				
Bank loans.	89,212	99,326	54,625	84,653
Current lease liabilities	9,501	8,868	8,430	8,008
Interests payable due to a related party	1,071	1,084	1,063	1,354
Redemption liabilities	—	—	51,144	51,966
Non-current				
Other borrowings	169,985	172,522	168,691	164,707
Non-current lease liabilities . .	23,511	15,625	38,231	37,770
Total	**293,280**	**297,425**	**322,184**	**348,458**

Except as disclosed above, during the Track Record Period and up to April 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured.

Bank Loans and Other Borrowings

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had bank loans of RMB89.2 million, RMB99.3 million, RMB54.6 million and RMB84.7 million, respectively. The effective interest rate of our bank loans ranges from 2.6% to 4.8%. As of April 30, 2026, our committed unutilized banking facilities amounted to RMB285.2 million.

Our bank loans increased by 11.3% from RMB89.2 million as of December 31, 2023 to RMB99.3 million as of December 31, 2024, primarily due to the increased bank loans borrowed by us to supplement working capital for our daily operational needs. Our bank loans decreased by 45.0% from RMB99.3 million as of December 31, 2024 to RMB54.6 million as of December 31, 2025, mainly due to the prepayment of certain of our bank loans. Our bank loans increased by 55.0% from RMB54.6 million as of December 31, 2025 to RMB84.7 million as of April 30, 2026, mainly due to the increased bank loans borrowed by us to supplement working capital for our daily operational needs.

In 2016, one of our subsidiaries received a long-term borrowing of USD24.0 million from Getty Images SEA, an associate of our Group, at a fixed interest rate of 2.5% per annum. This borrowing was to supplement working capital for our daily operational needs. The borrowing matures on the earlier of (i) the 20th anniversary of the drawdown date and (ii) the date the subsidiary ceases to be a shareholder of the lender. Interest is payable on a quarterly basis. See Note 27 of Appendix I to this document.

Our Directors confirm that, there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024, 2025 and April 30, 2026, our total lease liabilities (including current and non-current portions) amounted to RMB33.0 million, RMB24.5 million, RMB46.7 million and RMB45.8 million, respectively. The following table sets forth our lease liabilities in absolute amounts as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Non-current lease liabilities	23,511	15,625	38,231	37,770
Current lease liabilities	9,501	8,868	8,430	8,008
Total	**33,012**	**24,493**	**46,661**	**45,778**

Our total lease liabilities decreased by 25.8% from RMB33.0 million as of December 31, 2023 to RMB24.5 million as of December 31, 2024, primarily due to the repayment of lease liabilities as we made scheduled lease payments during the year. Our total lease liabilities increased significantly from RMB24.5 million as of December 31, 2024 to RMB46.7 million as of December 31, 2025, mainly due to the new lease for office use. Our total lease liabilities remained relatively stable at RMB46.7 million as of December 31, 2025 and RMB45.8 million as of April 30, 2026.

Interests Payable due to a Related Party

Our interests payable due to a related party primarily represented the interests of the long-term borrowing received from Getty Images SEA. See "— Indebtedness — Bank Loans and Other Borrowings." Our interests payable due to a related party remained relatively stable at RMB1.1 million, RMB1.1 million, RMB1.1 million and RMB1.3 million, as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively.

Redemption Liabilities

We recorded redemption liabilities of RMB51.1 million as of December 31, 2025 and RMB52.0 million as of April 30, 2026. Our redemption liabilities were primarily associated with the issuance of new shares with redemption rights of one of our subsidiaries to a third-party investor.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, we did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As of December 31, 2023 and 2024, our Group did not have any significant contractual and capital commitments.

As of December 31, 2025, we had a capital commitment of RMB28.0 million in relation to an investment in funds, which had been contracted but not yet provided for in the Historical Financial Information.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditure consisted of payment for property and equipment and intangible assets. Our capital expenditures in 2023, 2024 and 2025 were RMB28.3 million, RMB27.1 million and RMB28.7 million, respectively. We funded our capital expenditure requirements during the Track Record Period mainly from cash generated from our operations. We intend to fund our future capital expenditures and long-term investments with a combination of operating cashflow, debt and equity financing 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 had not entered into any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 36 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

We have adopted risk management program focused on minimizing potential adverse effects of the unpredictability of financial markets as we are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk, currency risk and risks associated with fair value measurement. See Note 31 of Appendix I to this document.

DIVIDENDS

In 2023, 2024 and 2025, dividends of RMB10.5 million, RMB20.3 million and RMB16.8 million were declared and approved. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Any future determination to pay dividends will be made at the discretion of our Board of Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board of Directors may deem relevant.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, 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 December 31, 2025, our Company had distributable reserves of RMB68.9 million.

[REDACTED] EXPENSES

[REDACTED] consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] of approximately RMB[REDACTED] (HK$[REDACTED]), comprising: (i) [REDACTED] fees of RMB[REDACTED] (HK$[REDACTED]); and (ii) non [REDACTED]-related expenses of RMB[REDACTED] (HK$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and reporting accountants of RMB[REDACTED] (HK$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK$[REDACTED]), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), approximately RMB[REDACTED] (HK$[REDACTED]) of which is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately RMB[REDACTED] (HK$[REDACTED]) of which is expected to be deducted from equity upon completion of the [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2026.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [REDACTED] Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this document, and there is no event since December 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.

PRE-ACQUISITION FINANCIAL INFORMATION OF CHENGDU GUANGCHANG

The following information relates to Chengdu Guangchang, a limited liability company established in the PRC on April 9, 2015, and its subsidiaries. Chengdu Guangchang primarily focuses on content licensing services for videos and audios. On March 31, 2023, we acquired an additional 31.6% equity interests in Chengdu Guangchang, in which we already held 30% equity interests prior to such acquisition. See "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers." Following the consolidation, we have strengthened synergies between this new business segment and the existing offerings, supporting the overall optimization of our service portfolio.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Three months ended March 31, 2023
	RMB'000
Revenue	40,466
Cost of revenue	(30,967)
Gross profit	**9,499**
Other net income	1,150
Selling and distribution expenses	(1,537)
Administrative expenses	(3,130)
Research and development expenses	(2,459)
Impairment loss on other receivables	(3)
Profit from operations	**3,520**
Finance costs	(133)
Profit before taxation	**3,387**
Income tax	(197)
Profit for the period	**3,190**

Revenue

Chengdu Guangchang recorded revenue of RMB40.5 million for the three months ended March 31, 2023. The revenue of Chengdu Guangchang was generated from content licensing services for videos and audios. Following the consolidation, we have strengthened synergies between this new business segment and the existing offerings, supporting the overall optimization of our service portfolio.

Cost of Revenue

For the three months ended March 31, 2023, the cost of revenue of Chengdu Guangchang primarily consisted of revenue sharing cost paid to content providers of content licensing services. Chengdu Guangchang recorded cost of revenue of RMB31.0 million for the three months ended March 31, 2023.

Gross Profits and Gross Profit Margin

Chengdu Guangchang recorded gross profit of RMB9.5 million for the three months ended March 31, 2023. Chengdu Guangchang recorded gross profit margin of 23.5% for the three months ended March 31, 2023.

Other Net Income

For the three months ended March 31, 2023, the other net income of Chengdu Guangchang primarily consisted of (i) government grants; (ii) investment income from wealth management products; and (iii) value-added tax ("**VAT**") incentives (additional deduction). Chengdu Guangchang recorded other net income of RMB1.2 million for the three months ended March 31, 2023.

Selling and Distribution Expenses

For the three months ended March 31, 2023, the selling and distribution expenses of Chengdu Guangchang primarily consisted of marketing expenses and staff costs. Chengdu Guangchang recorded selling and distribution expenses of RMB1.5 million for the three months ended March 31, 2023.

Administrative Expenses

For the three months ended March 31, 2023, the administrative expenses of Chengdu Guangchang primarily consisted of (i) staff costs; (ii) cloud server fees; and (iii) professional service fee mainly in relation to consultation services for assets' value, financial audit and legal compliance. Chengdu Guangchang recorded administrative expenses of RMB3.1 million for the three months ended March 31, 2023.

Research and Development Expenses

For the three months ended March 31, 2023, the research and development expenses of Chengdu Guangchang were primarily staff costs. Chengdu Guangchang recorded the research and development expenses of RMB2.5 million for the three months ended March 31, 2023.

Finance Costs

For the three months ended March 31, 2023, finance costs of Chengdu Guangchang consisted of interest on bank loans and interest on lease liabilities. Chengdu Guangchang recorded finance costs of RMB133.0 thousand for the three months ended March 31, 2023.

Income Tax

Chengdu Guangchang has obtained High and New Technology Enterprise certifications and was therefore entitled to a preferential tax rate of 15% for the three months ended March 31, 2023.

Profit for the Period

Chengdu Guangchang recorded profit for the period of RMB3.2 million for the three months ended March 31, 2023.

For other financial information of Chengdu Guangchang prior to the acquisition, as of and for the three months ended March 31, 2023, see Note 33 of Appendix I to this document.

Discussion of Key Items of Statement of Financial Position of Chengdu Guangchang

The following table is a summary of major components of the statement of financial position of Chengdu Guangchang as of March 31, 2023.

	As of March 31, 2023
	RMB'000
ASSETS	
Non-current assets	
Property and equipment	3,798
Deferred tax assets	401
Other non-current assets	536
Total non-current assets	**4,735**
Current assets	
Prepayments, deposits and other receivables	24,314
Cash and cash equivalents	70,840
Total current assets	**95,154**
Total assets	**99,889**
LIABILITIES	
Current liabilities	
Trade payables	14,034
Contract liabilities	19,662
Bank loans	10,010
Current lease liabilities	2,085
Other payables and accruals	9,739
Current taxation	432
Total current liabilities	**55,962**
Non-current liabilities	
Non-current lease liabilities	544
Deferred tax liabilities	383
Total non-current liabilities	**927**
Total liabilities	**56,889**
Net assets	**43,000**

Condensed Statement of Cash Flows of Chengdu Guangchang

The following table sets out a summary of Chengdu Guangchang's cash flow for the period indicated:

	Three months ended March 31, 2023
	RMB'000
Net cash generated from operating activities	3,529
Net cash used in financing activities	(13,669)
Net decrease in cash and cash equivalents	(10,140)
Cash and cash equivalents at the beginning of period	80,980
Cash and cash equivalents at the end of period	**70,840**

Net Cash Generated from Operating Activities

In the three months ended March 31, 2023, Chengdu Guangchang had net cash generated from operating activities of RMB3.5 million, which primarily represents Chengdu Guangchang's profit before tax of RMB3.4 million.

Net Cash Used in Financing Activities

In the three months ended March 31, 2023, Chengdu Guangchang had net cash used in financing activities of RMB13.7 million, mainly attributable to the payment of dividends.

FUTURE PLANS

See "Business — Our Strategies" in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] and HK$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK$[REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to enhance our AI capabilities to support our service offerings. Specifically, we intend to implement with the detailed breakdown of the [REDACTED] to be allocated as follows:
  - o Approximately [REDACTED]% (or HK$[REDACTED]) will be used to develop proprietary visual content generative AI models that are based on rights-cleared and commercially reliable training data, to enhance our capabilities of providing differentiated content services, including:
    - Approximately [REDACTED]% (or HK$[REDACTED]) will be used to strengthen computing infrastructure and data bases for developing proprietary visual content generative AI models. We plan to develop, procure or lease the computing, storage, data processing and data annotation infrastructure required for model training and inference, including GPU computing resources, high-performance storage systems, distributed training framework and dataset management platforms.
    - Approximately [REDACTED]% (or HK$[REDACTED]) will be used to expand and strengthen our algorithm, data engineering and annotation team. We plan to recruit personnel with expertise in the key technologies underpinning our models, including visual understanding, search, annotation and generative AI, to support the development, training and continuous optimization of our visual content-focused AI models.
    - Approximately [REDACTED]% (or HK$[REDACTED]) will be used to procure API access to third-party foundational models and evaluation tools for testing, benchmarking, hybrid inference and safety evaluation, to enhance our capabilities in model selection, performance optimization and multi-model orchestration. We also plan to initiate joint research and development activities on model development and computing infrastructure, to improve the adaptability of our solutions across diverse application scenarios to address evolving customer needs.
  - o Approximately [REDACTED]% (or HK$[REDACTED]) will be used to develop and optimize customer-facing applications as part of our content service offerings, in particular:
    - Approximately [REDACTED]% (or HK$[REDACTED]) will be used to (i) strengthen the development of AI applications, and (ii) develop and upgrade our AI architecture with collaboration with third parties, supporting our content licensing services, content customization services and value-added services. We plan to optimize applications such as AI search, AI-assisted creation, image and video processing as well as content review. We will cooperate with third-party technology teams, algorithm service providers and system integration service providers to develop and optimize

workflow-management and related AI functions. We plan to procure or lease GPU computing resources, storage system and cloud servers to support such development and optimization. Through development of AI applications and optimization of AI architecture, we aim to improve operational efficiency, broaden application scenarios and strengthen our product competitiveness.

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to enhance IP compliance and provenance infrastructure. We believe that content compliance, copyright protection and data governance are critical to the sustainable development of our business. In particular, we plan to procure reverse image search, similarity matching, blockchain/trusted timestamp evidence preservation, copyright legal databases and related compliance tools to enhance our capabilities in infringement detection, license-chain verification and content traceability.

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to enhance and expand our research and development team to strengthen our compliance and content governance capabilities. We plan to recruit experienced personnel with expertise in product management, UI/UX design, software engineering and quality assurance to support the development and continuous enhancement of key functional modules. This will primarily cover staff compensation, recruitment expenses, training and professional development as well as related project management costs.

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used for strategic investments, acquisitions and partnerships to enhance our technological and service capabilities. We will look for suitable targets that complement our existing services and strengthen our competitiveness in the visual content service industry. Specifically, we plan to target businesses: (i) engaged in generative AI models and application technologies, including image, video and 3D generation, visual understanding, AI agent technologies and content workflow technologies, to broaden application scenarios of our services; (ii) involved in AI-enabled visual content and content ecosystem development, including AI visual content platforms, community operators for AI-empowered content providers, and AI-empowered content applications for end-users, to enrich our content library and extend service offerings to end-users; and (iii) equipped with multimodal data annotation capabilities and AI training data services that are complementary to our content licensing and content customization service offerings, to enhance the quality, scale and efficiency of our data processing capabilities. Our strategic investment or acquisition targets are expected to be companies preferably with annual revenue no less than HK$50.0 million. As advised by Frost & Sullivan, our industry consultant, there are sufficient numbers of such industry players in the market that meet our criteria as potential target companies. We believe that such investments may generate synergies across our business operations, professional capabilities, customer base and market expansion.

- Approximately [REDACTED]% (or HK$[REDACTED]) will be used to support our international business collaborations, specifically:

  o Approximately [REDACTED]% (or HK$[REDACTED]) will be used to strengthen our content sourcing capabilities to secure stable and quality content supply and enhance the competitiveness of our content library. In particular, we plan to (i) expand our portfolio of content with exclusive rights by strengthening collaborations with global visual content platforms, media partners and selected content providers; and (ii) deepen our cooperation arrangements and broaden our content sourcing channels through such collaborations.

  - o Approximately [REDACTED]% (or HK$[REDACTED]) will be used to strengthen overseas distribution and supply of our high-quality visual content. In particular, we plan to leverage existing international cooperation networks to distribute visual content from our content library in China to overseas markets, expand cooperation with overseas media, agents and distribution channels, and explore local partnerships where appropriate.

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

In the event that the [REDACTED] is set at the maximum or the minimum of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED] respectively. If we set the final [REDACTED] to be above or below the mid-point of the indicative [REDACTED], we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

If the [REDACTED] is exercised in full, we estimate that we will receive additional net [REDACTED] of approximately (i) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the maximum [REDACTED]), (ii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range), and (iii) HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per H Share, being the minimum [REDACTED]).

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 will only 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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-[•] to I-[•], 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 VISUAL CHINA GROUP CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Visual China Group Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-[•] to I-[•], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and 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 December 31, 2023, 2024 and 2025 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-[•] to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "**Document**") in connection with the [REDACTED] of the H shares of the Company on the Main Board 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 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, 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.

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 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 Group's and the Company's financial position as at December 31, 2023, 2024 and 2025, and of the Group's financial performance and cash flows for the Track Record Period 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-3 have been made.

Dividends

We refer to Note 30(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

[REDACTED]

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 Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Renminbi ("RMB"))

		Years ended December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	4	780,830	811,184	778,470
Cost of revenue		(380,747)	(431,501)	(454,012)
Gross profit		**400,083**	**379,683**	**324,458**
Other net income	5	33,549	9,849	20,572
Selling and distribution expenses		(88,480)	(82,154)	(82,069)
Administrative expenses		(103,583)	(117,330)	(110,812)
Research and development expenses		(99,061)	(72,698)	(73,024)
Impairment loss on trade receivables, deposits and other receivables	6(c)	(12,749)	(6,965)	(3,626)
Profit from operations		**129,759**	**110,385**	**75,499**
Finance costs	6(a)	(8,893)	(10,212)	(10,281)
Share of profits less losses of a joint venture and associates	16	46,766	42,111	32,795
Profit before taxation		**167,632**	**142,284**	**98,013**
Income tax	7	(13,586)	(12,086)	(5,339)
Profit for the year		**154,046**	**130,198**	**92,674**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
(Expressed in Renminbi ("RMB"))

		Years ended December 31,		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Other comprehensive income for the year:				
Items that will not be reclassified subsequently to profit or loss:				
Changes in fair value of financial assets measured at fair value through other comprehensive income ("**FVOCI**")		(14,993)	(14,589)	(2,976)
Tax effect		2,259	1,352	(672)
Items may be reclassified subsequently to profit or loss:				
Share of other comprehensive income of investments accounted for using equity method		(524)	1,182	(391)
Exchange differences on translation of financial statements of foreign operations		21,680	10,649	(21,985)
Total other comprehensive income for the year		8,422	(1,406)	(26,024)
Total comprehensive income for the year		**162,468**	**128,792**	**66,650**
Profit for the year attributable to:				
Equity shareholders of the Company		145,594	119,147	83,027
Non-controlling interests		8,452	11,051	9,647
		154,046	130,198	92,674
Total comprehensive income for the year attributable to:				
Equity shareholders of the Company		154,016	117,741	57,003
Non-controlling interests		8,452	11,051	9,647
		162,468	128,792	66,650
Earnings per share				
Basic *(RMB)*	10	0.21	0.17	0.12
Diluted *(RMB)*	10	0.21	0.17	0.12

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in RMB)

		As at December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	11	37,214	26,107	54,898
Intangible assets	12	228,044	226,417	223,951
Goodwill	13	1,351,448	1,352,876	1,350,720
Interests in a joint venture and associates	16	1,286,676	1,295,862	1,167,884
Financial assets measured at FVOCI	17	31,537	30,942	94,292
Financial assets measured at fair value through profit or loss ("**FVPL**")	20	15,236	15,148	14,899
Deferred tax assets	29(b)	10,902	12,347	17,648
Other non-current assets	14	560,342	573,534	562,263
		3,521,399	**3,533,233**	**3,486,555**
Current assets				
Trade and bills receivables	18	166,781	165,630	147,230
Prepayments, deposits and other receivables	19	52,981	44,132	89,537
Financial assets measured at FVPL	20	30,000	190	132,808
Restricted cash	21	56,662	—	21,489
Cash and cash equivalents	21	350,572	533,520	467,743
		656,996	**743,472**	**858,807**
Current liabilities				
Trade payables	22	150,564	154,418	151,784
Contract liabilities	24	118,247	112,358	127,530
Bank loans	25	89,212	99,326	54,625
Current lease liabilities	26	9,501	8,868	8,430
Other payables and accruals	23	67,418	68,551	117,994
Current taxation	29(a)	16,226	14,887	13,112
		451,168	**458,408**	**473,475**
Net current assets		**205,828**	**285,064**	**385,332**
Total assets less current liabilities		**3,727,227**	**3,818,297**	**3,871,887**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
(Expressed in RMB)

		As at December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities:				
Other non-current liabilities	27	191,985	184,522	168,691
Non-current lease liabilities	26	23,511	15,625	38,231
Deferred tax liabilities	29(b)	15,637	12,564	16,390
		231,133	**212,711**	**223,312**
NET ASSETS		**3,496,094**	**3,605,586**	**3,648,575**
Capital and reserves				
Share capital	30	73,893	73,893	73,893
Reserves	30	3,393,647	3,496,110	3,539,550
Total equity attributable to equity shareholders of the Company		**3,467,540**	**3,570,003**	**3,613,443**
Non-controlling interests		28,554	35,583	35,132
TOTAL EQUITY		**3,496,094**	**3,605,586**	**3,648,575**

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in RMB)

		As at December 31,		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	11	17,730	11,227	32,868
Intangible assets	12	858	634	725
Investments in subsidiaries	15	2,822,378	2,829,101	2,845,042
Interests in associates	16	13,241	12,920	12,911
Financial assets measured at FVOCI	17	31,537	29,363	20,919
Deferred tax assets		3,812	5,195	9,491
Other non-current assets	14	1,341	1,405	1,090
		2,890,897	**2,889,845**	**2,923,046**
Current assets				
Trade and bills receivables	18	23,682	19,578	7,640
Prepayments, deposits and other receivables	19	591,702	581,842	616,955
Financial assets measured at FVPL	20	—	—	10,079
Cash and cash equivalents	21	72,541	48,360	9,742
		687,925	**649,780**	**644,416**
Current liabilities				
Trade payables	22	25,110	24,504	23,715
Contract liabilities	24	14,309	10,476	7,111
Bank loans	25	70,023	20,023	10,009
Current lease liabilities	26	3,732	3,983	3,227
Other payables and accruals	23	20,640	44,153	80,293
		133,814	**103,139**	**124,355**
Net current assets		**554,111**	**546,641**	**520,061**
Total assets less current liabilities		**3,445,008**	**3,436,486**	**3,443,107**

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)
(Expressed in RMB)

		As at December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Non-current liabilities:				
Non-current lease liabilities	26	11,759	6,014	22,718
Deferred tax liabilities		3,812	2,399	6,520
		15,571	**8,413**	**29,238**
NET ASSETS		**3,429,437**	**3,428,073**	**3,413,869**
Capital and reserves				
Share capital	30	700,577	700,577	700,577
Reserves	30	2,728,860	2,727,496	2,713,292
TOTAL EQUITY		**3,429,437**	**3,428,073**	**3,413,869**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Attributable to equity shareholders of the Company										
	Share capital	Capital reserve	Share award reserve	Fair value reserve	Exchange reserve	Other reserve	Statutory reserve	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*	*RMB'000*	*RMB'000*
	Note 30(c)	*Note 30(d)*	*Note 30(d)*	*Note 30(d)*	*Note 30(d)*	*Note 30(d)*	*Note 30(d)*				
Balance at January 1, 2023	73,893	1,590,312	6,676	3,939	24,775	13,820	29,316	1,629,268	3,371,999	3,323	3,375,322
Changes in equity for 2023:											
Profit for the year	—	—	—	—	—	—	—	145,594	145,594	8,452	154,046
Other comprehensive income	—	—	—	(12,734)	21,680	(524)	—	—	8,422	—	8,422
Total comprehensive income	—	—	—	(12,734)	21,680	(524)	—	145,594	154,016	8,452	162,468
Equity-settled share-based payments *(Note 28)*	—	—	(5,428)	—	—	—	—	—	(5,428)	—	(5,428)
Repurchase of shares *(Note 30(d))*	—	—	(35,784)	—	—	—	—	—	(35,784)	—	(35,784)
Non-controlling interests arising from acquisition of business *(Note 32)*	—	—	—	—	—	—	—	—	—	23,772	23,772
Share of other changes in net assets of associates	—	—	—	—	—	950	—	—	950	—	950
Acquisition of additional interests in a subsidiary	—	—	—	—	—	(7,704)	—	—	(7,704)	(2,828)	(10,532)
Appropriation to statutory reserves	—	—	—	—	—	—	3,187	(3,187)	—	—	—
Dividends declared and approved *(Note 30(b))*	—	—	—	—	—	—	—	(10,509)	(10,509)	(4,165)	(14,674)
Balance at December 31, 2023	73,893	1,590,312	(34,536)	(8,795)	46,455	6,542	32,503	1,761,166	3,467,540	28,554	3,496,094
Balance at January 1, 2024	73,893	1,590,312	(34,536)	(8,795)	46,455	6,542	32,503	1,761,166	3,467,540	28,554	3,496,094
Changes in equity for 2024:											
Profit for the year	—	—	—	—	—	—	—	119,147	119,147	11,051	130,198
Other comprehensive income	—	—	—	(13,237)	10,649	1,182	—	—	(1,406)	—	(1,406)
Total comprehensive income	—	—	—	(13,237)	10,649	1,182	—	119,147	117,741	11,051	128,792
Restricted share units vesting	—	—	4,272	—	—	—	—	—	4,272	—	4,272
Equity-settled share-based payments *(Note 28)*	—	—	6,722	—	—	—	—	—	6,722	—	6,722
Repurchase of shares	—	—	(5,984)	—	—	—	—	—	(5,984)	—	(5,984)
Appropriation to statutory reserves	—	—	—	—	—	—	1,267	(1,267)	—	—	—
Dividends declared and approved *(Note 30(b))*	—	—	—	—	—	—	—	(20,288)	(20,288)	(4,022)	(24,310)
Balance at December 31, 2024	73,893	1,590,312	(29,526)	(22,032)	57,104	7,724	33,770	1,858,758	3,570,003	35,583	3,605,586
Balance at January 1, 2025	73,893	1,590,312	(29,526)	(22,032)	57,104	7,724	33,770	1,858,758	3,570,003	35,583	3,605,586
Changes in equity for 2025:											
Profit for the year	—	—	—	—	—	—	—	83,027	83,027	9,647	92,674
Other comprehensive income	—	—	—	(3,648)	(21,985)	(391)	—	—	(26,024)	—	(26,024)
Total comprehensive income	—	—	—	(3,648)	(21,985)	(391)	—	83,027	57,003	9,647	66,650
Restricted share units vesting	—	—	3,185	—	—	—	—	—	3,185	—	3,185
Equity-settled share-based payments *(Note 28)*	—	—	(59)	—	—	—	—	—	(59)	—	(59)
Share of other changes in net assets of associates	—	—	—	—	—	101	—	—	101	—	101
Dividends declared and approved *(Note 30(b))*	—	—	—	—	—	—	—	(16,790)	(16,790)	(10,098)	(26,888)
Balance at December 31, 2025	73,893	1,590,312	(26,400)	(25,680)	35,119	7,434	33,770	1,924,995	3,613,443	35,132	3,648,575

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in RMB)

		Years ended December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Operating activities				
Cash generated from operations	21(b)	196,414	166,676	107,316
Tax paid	29(a)	(17,255)	(16,362)	(9,357)
Net cash generated from operating activities		179,159	150,314	97,959
Investing activities				
Payment for property and equipment, and intangible assets		(28,302)	(27,711)	(28,075)
Proceeds from sale of property and equipment, and intangible assets		6	12	136
Payments for financial assets measured at FVPL and FVOCI		(11,513)	(338,094)	(804,652)
Proceeds from disposal of financial assets measured at FVPL		5,408	350,594	662,057
Proceeds from/(payments for) business acquisition	32	8,040	(10,000)	(10,000)
Proceeds from disposal of associates		—	8,000	24,280
Dividends received from a joint venture and associates		29,137	41,760	39,620
Payments for investment in associates		(2,000)	(8,429)	—
Net cash generated from/(used in) investing activities		776	16,132	(116,634)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(Expressed in RMB)

		Years ended December 31,		
		2023	**2024**	**2025**
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Financing activities				
Proceeds from bank loans	21(c)	91,240	151,346	55,921
Repayment of bank loans	21(c)	(26,893)	(140,516)	(100,067)
Interests paid for bank loan and other borrowings	21(c)	(7,553)	(9,469)	(8,000)
Proceeds from redemption liabilities	21(c)	—	—	50,000
Acquisition of additional interests in a subsidiary		(10,532)	—	—
Return on/(payment of) lease deposits		1,679	(745)	(1,086)
Capital element of lease rentals paid	21(c)	(12,314)	(11,205)	(10,816)
Interest element of lease rentals paid	21(c)	(1,683)	(1,441)	(1,716)
Payment for repurchase of shares		(35,784)	(5,984)	—
Proceeds from issuance of share-based awards		13,743	—	—
Payment of security deposits for bank borrowings		(56,390)	—	—
Return on security deposits for bank borrowings		—	56,662	—
Dividends paid to equity shareholders of the Company		(10,450)	(20,317)	(16,763)
Dividends paid to non-controlling interests		(4,165)	(4,022)	(10,098)
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Net cash (used in)/generated from financing activities		(59,102)	14,309	(43,129)
Net increase/(decrease) in cash and cash equivalents		120,833	180,755	(61,804)
Cash and cash equivalents at January 1	21(a)	231,019	350,572	533,520
Effect of foreign exchange rate changes		(1,280)	2,193	(3,973)
Cash and cash equivalents at the end of the year	21(a)	350,572	533,520	467,743

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

Visual China Group Co., Ltd. (視覺(中國)文化發展股份有限公司) (the "**Company**"), formerly known as Far East Industrial Stock Co., Ltd. (遠東實業股份有限公司), is a joint-stock company incorporated in the People's Republic of China (the "**PRC**") and has been listed on Shenzhen Stock Exchange (stock code 000681) since 1997. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in providing visual content such as digital images, videos, music and other digital assets, as well as related value-added services.

The Group is jointly controlled by three individuals, namely Mr. Liao Daoxun (廖道訓), Ms. Wu Yurui (吳玉瑞) and Mr. Chai Jijun (柴繼軍), who have entered an acting-in-concert arrangement and agreed to act in concert by aligning their votes at the board of directors and the shareholders' meetings of the Company.

The financial statements of the Company for the years ended December 31, 2023, 2024 and 2025 prepared in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "**CASBE**") were audited by Zhongshen Zhonghuan Certified Public Accountants LLP (中審眾環會計師事務所(特殊普通合夥)).

As at the date of this report, the Company has direct or indirect interests in the following principal subsidiaries:

Company name	Place of establishment/ incorporation	Date of establishment/ incorporation	Particulars of issued and paid-up capital	Shareholding held by the company	Principal business activities
Directly held					
Beijing Huaxia Visual Technology Group Co., Ltd. (北京華夏視覺科技集團有限公司)	PRC	January 27, 2005	RMB50,000,000	100%	Provision of content licensing, customization services
Changzhou Yuandong Culture Industry Co., Ltd. (常州遠東文化產業有限公司)	PRC	April 6, 2006	RMB700,000,000	100%	Investment holding
Huaxia Visual (Beijing) Image Technology Co., Ltd. (華夏視覺(北京)圖像技術有限公司)	PRC	August 28, 2006	RMB153,456,700	100%	Provision of content licensing, customization services
Indirectly held					
500px Inc.	Canada	February 5, 2010	—	100%	Provision of content licensing, community membership service
Hanhua Yimei (Tianjin) Image Technology Co., Ltd. (漢華易美(天津)圖像技術有限公司) ("**Tianjin Hanhua Yimei**")	PRC	December 10, 2012	RMB3,000,000	100%	Provision of content licensing, customization services
Visual China Group Holding Limited	Hong Kong	February 3, 2015	HKD1 USD24,938,460	100%	Provision of content licensing services
Chengdu Guangchang Creative Technology Co. Ltd. ("**Chengdu Guangchang** ") (成都光廠創意科技有限公司) (iii)	PRC	April 9, 2015	RMB1,250,000	61.60%	Provision of content licensing services
Unity Glory International Limited	Hong Kong	September 4, 2015	USD59,263,523	100%	Investment holding
Hanhua Yimei Visual Technology Co., Ltd. (漢華易美視覺科技有限公司) ("**Hanhua Yimei**")	PRC	May 31, 2016	RMB5,000,000	100%	Provision of content licensing, customization services
Elephant Visual (Shenzhen) Technology Co., Ltd. (大象視覺(深圳)科技有限公司)	PRC	March 26, 2025	RMB15,000,000	76.19%	Provision of content customization services and AI visual content technology

Notes:

(i) The entities established or incorporated in PRC were registered as limited liability companies under the laws and regulations in Chinese Mainland. The official names of these entities are in Chinese. The English translation is included for identification only.

(ii) No audited statutory financial statements for the years ended December 31, 2023, 2024 and 2025 of the above entities have been prepared.

(iii) On March 31, 2023, the Group acquired an additional 31.6% equity interests of Chengdu Guangchang, an associate that the Group had 30% equity interests and could exert significant influence over the investee before this business combination, see Note 32.

All companies now comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**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 the Historical Financial Information, the Group has consistently applied all applicable new and revised IFRS Accounting Standards throughout the Track Record Period. The Group has not applied any new and revised accounting standards and interpretations issued but not yet effective for the Track Record Period, the detail of which are set out in Note 39.

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 Historical Financial Information is presented in RMB, and all values are rounded to the nearest thousand (RMB'000) unless when otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

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 for financial assets at FVPL and FVOCI are stated at their fair value as explained in Note 2(g).

(b) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, 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 judgments 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 recognized 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.

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements 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 consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized 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 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. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Notes 2(o), (p), (s) depending on the nature of the liability.

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 recognized 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(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associates and joint ventures

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. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale. They are initially recognized at cost, which includes transaction costs. Subsequently, the financial statements 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 or joint control ceases.

When the Group's share of losses exceeds its interest in the associate or the joint venture, 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 or the joint venture, after applying the ECL model to such other long-term interests where applicable (see Note 2(k)(ii)).

Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

(e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)).

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 for the Track Record Period are as follows:

— Office and electronic equipment	3–5 years
— Vehicles	5–8 years
— Leasehold improvement	shorter of the lease term and 5 years
— Others	3–10 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(k)(ii)).

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognized/derecognized 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 recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 31(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments mainly include structured deposits and wealth management products which are measured at FVPL. The Group also has investment in film replay project which entitles the Group to receive variable income based on the Group's proportion held of the investment in the respective film investment agreements. The investment is measured at FVPL. Changes in the fair value of the investments (including interest) are recognized 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 recognized 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 recognized in profit or loss as other income.

(h) Intangible assets (other than goodwill)

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets, including software, trademarks, and royalty rights, have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see Note 2(k)(ii)).

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 for the Track Record Period are as follows:

— Software	2–10 years
— Trademarks	8–20 years
— Royalty rights	3 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(i) Other non-current assets

Other non-current assets mainly include image content acquired externally by the Group, which are measured at cost less any accumulated impairment losses.

(j) 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.

(i) As a lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a 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 capitalize 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 the lease liability is initially recognized 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 amortized cost and interest expense is recognized 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 recognized when a lease is capitalized 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(e) and 2(k)(ii)).

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 principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash, cash equivalents, restricted cash, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. 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: 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 to 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 that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables 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 realizing 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 recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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 past due event;

— it is probable that the debtor will enter bankruptcy or other financial reorganization; 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 is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group 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 recognized 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 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. Goodwill is tested annually for impairment.

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). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized 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.

An impairment loss in respect of goodwill is not reversed. 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 amortization, if no impairment loss had been recognized.

(l) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(t)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if 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(k)(i)).

(n) 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(k)(i)).

(o) Trade and other payables (other than refund labilities)

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(v).

(q) 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 recognized 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) Share-based payments

The fair value of the services received in exchange for the grant of the share awards is recognized as an employee cost with a corresponding increase in share award reserve within equity. The fair value of the share awards is either determined by Black Scholes options pricing model, or the difference between the subscription price and the fair value of the ordinary shares of the Company shareholder at grant date. Where the employees have to meet vesting and performance conditions before becoming unconditionally entitled to the share awards, the total estimate fair value of the share-based awards is spread over the vesting period, taking into account the probability that the share awards will be vested.

(iii) 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 recognizes costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized 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 recognized 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 recognized 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; and

— temporary differences related to investment in subsidiaries, associates and joint venture 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; and

— taxable temporary differences arising on the initial recognition of goodwill.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized 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 recognize 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) 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 recognized 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 recognizes any impairment loss on the assets associated with that contract (see Note 2(k)(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 recognized for any expected reimbursement that would be virtually certain. The amount recognized for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value-added tax or other sales taxes.

Control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the performance by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods or services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates the transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the observable prices charged to customers when the Group sells that good or service separately. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of information. Assumptions and estimations have been made in estimating the standalone selling price, and changes in those assumptions and estimates may impact the revenue recognition.

The Group generates revenue from content licensing services, content customization services, and value-added services.

(a) Content licensing services

The Group generates revenues from licensing visual and other digital content, including images, videos and audios. The Group is determined to be the primary obligor and accordingly, the Group records revenue on a gross basis.

For one-off purchase agreements and volume-based agreements, revenue is recognized when the content is licensed to the customers; for time-based agreements, revenue is recognized over the contract period on a straight-line basis because the Group provide such services throughout the period and the customer simultaneously receives and consumes the benefits provided by the Group.

(b) Content customization services

The Group provides services to deliver customised visual content to satisfy specific requirements from customers. Revenue is recognized at a point in time when the customer accepts the delivered content, upon which the Group has no further obligation and the customer obtains substantially all remaining benefits from the asset.

(c) Value-added services

Value-added services primarily include artificial intelligence ("**AI**") training data services, digital asset management services, visual content solutions for smart devices and content providers' community operation. The Group recognizes revenue when the services are rendered to the customers.

(ii) Revenue from other sources and 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 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 as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

(u) Translation of foreign currencies

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 at the foreign exchange rates ruling at the end of the reporting period. 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. The transaction date is the date on which the Group initially recognizes such non-monetary assets or liabilities. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions. Foreign currency differences are recognized in OCI and accumulated in the exchange reserve.

(v) 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 capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) 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.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, 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 ACCOUNTING JUDGMENT AND ESTIMATES

Notes 13, 16, 28 and 31 contain information about the assumptions and their risk factors relating to goodwill impairment, impairment of interest in a joint venture and associates, fair value of share-based payments and financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Impairment of non-current non-financial assets

If circumstances indicate that the carrying amount of a non-current non-financial asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognized in accordance with accounting policy for impairment of non-current assets as described in Note 2(k)(ii). These assets are tested for impairment periodically or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are (i) the provision of content licensing services; (ii) the provision of content customization services; (iii) the provision of related value-added services, including artificial intelligence ("**AI**") training data services, digital asset management services, visual content solutions for smart devices and content providers' community operation.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines and timing of revenue recognition are as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major products or service lines			
Content licensing services	575,209	609,585	523,688
Content customization services	151,620	163,763	209,240
Value-added services	54,001	37,836	45,542
	780,830	811,184	778,470
Disaggregated by timing of revenue recognition			
Over time	231,147	238,355	220,835
Point in time	549,683	572,829	557,635
	780,830	811,184	778,470

During the Track Record Period, the Group's revenue from customers individually contributing over 10% of the total revenue of the Group is as below. Details of concentrations of credit risk of the Group are set out in Note 31(a).

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	*	85,561	105,184

* *Less than 10% of the Group's revenue for the respective year*

(ii) The Group has applied the practical expedient in paragraph 121(a) of IFRS 15 of not disclosing the transaction price allocated to the remaining performance obligations as the original expected duration of the Group's contracts are one year or less.

(b) Segment reporting

(i) Segment results

For management purposes, the Group has only one reportable operating segment. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, right-of-use assets, intangible assets, goodwill, interest in a joint venture and associates and Corbis Content included in other non-current assets ('Specified Non-current Assets'). The geographical location information of revenue is based on the geographical location of the customers. The geographical location of the Specified Non-current Assets is based on the physical location of the asset, in the case of property and equipment, right-of-use assets, and the Corbis Content, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in joint venture and associates.

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue			
Chinese Mainland	732,435	763,936	733,428
Overseas	48,395	47,248	45,042
	780,830	811,184	778,470

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Specified Non-current Assets			
Chinese Mainland	2,389,063	2,393,735	2,306,141
Overseas	1,072,069	1,073,448	1,044,895
	3,461,132	3,467,183	3,351,036

5 OTHER NET INCOME

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest income	4,334	8,220	7,148
Government grants	4,631	6,718	2,293
Net foreign exchange loss	(6,988)	(1,256)	(1,502)
Remeasurement gain on acquisition of a subsidiary *(Note 32)*	31,095	—	—
Changes in fair value of financial assets measured at FVPL	2,354	676	15,921
Impairment loss on interests in an associate	—	(3,459)	(2,064)
Others	(1,877)	(1,050)	(1,224)
	33,549	9,849	20,572

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank loans and other borrowing	7,210	8,771	8,565
Interest on lease liabilities	1,683	1,441	1,716
	8,893	10,212	10,281

(b) Staff costs

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	146,188	142,821	145,119
Contributions to defined contribution retirement plan *(Note)*	11,970	13,368	12,475
Share-based payments expenses *(Note 28)*	(5,428)	6,722	(59)
	152,730	162,911	157,535

Note:

The employees of the Company and its subsidiaries established in Chinese Mainland participate in defined contribution retirement benefit scheme managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes during the Track Record Period. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the eligible employee's salaries. The Group also contributes to independently administrated funds for the Group's employees in other jurisdictions pursuant to the requirements in the relevant jurisdictions.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

		Years ended December 31,		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation charge	11			
— Property and equipment		2,507	2,397	2,117
— Right-of-use assets		11,091	11,510	10,967
Amortization of intangible assets	12	25,451	27,811	30,059
Recognition/(reversal) of expected credit loss				
— Trade receivables	18, 31(a)	8,077	6,095	4,165
— Other receivables	19, 31(a)	4,672	870	(539)

7 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss and other comprehensive income represents:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current taxation	16,397	15,023	7,582
Deferred taxation	(2,811)	(2,937)	(2,243)
	13,586	12,086	5,339

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	167,632	142,284	98,013
Tax at the PRC income tax rate of 25% *(Note i)*	41,908	35,571	24,503
Tax effects of:			
— utilization of previously unrecognized tax loss	(11,930)	(6,467)	(2,229)
— non-taxable income	(14,119)	(5,384)	(3,884)
— tax rate differential *(Note ii)*	(7,633)	(10,821)	(12,195)
— additional deduction on research and development expenses *(Note iii)*	(4,509)	(4,636)	(4,760)
— unrecognized tax loss and deductible temporary differences	8,204	3,419	4,072
— non-deductible expenses	337	669	561
— effect on deferred tax balances at January 1 resulting from a change in tax rate	(133)	(132)	(384)
Others	1,461	(133)	(345)
Actual tax expense	13,586	12,086	5,339

Notes:

(i) The Company and the subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% during the Track Record Period.

(ii) Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (the "**HNTE**") is entitled to a preferential tax rate of 15% provided it continues to meet HNTE qualification standards on an annual basis.

Hanhua Yimei, Tianjin Hanhua Yimei and Chengdu Guangchang qualify as HNTEs and are entitled for a preferential tax rate of 15% during the Track Record Period. Beijing Vision Yimei Image Technology Co., Ltd. qualifies as an HNTE since October 2025.

Certain subsidiaries of the Group have been approved as small and micro enterprises ("**SLE**"). The subsidiaries are entitled to a preferential PRC Corporate Income Tax rate of 20%, and the annual taxable income not exceeding RMB3,000,000 shall be deducted to 25% during the Track Record Period.

The Company's subsidiaries incorporated in Hong Kong is subject to Hong Kong profit tax at 16.5% of the estimated assessable profit, except one subsidiary which subject to the two-tiered profits tax rate regime. For this subsidiaries incorporated in Hong Kong, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The subsidiary of the Group established in the Canada is subject to a unified federal corporate income tax rate of 15% and provincial income tax rate of 11.5%.

(iii) An additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Corporate Income Tax laws and regulations.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of emoluments of directors and supervisors are as follows:

	Year ended December 31, 2023				
	Directors' and supervisors' fee	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liao Jie	—	—	—	—	—
Mr. Chai Jijun	—	551	205	63	819
Mr. Li Changxu	180	—	—	—	180
Non-executive director					
Mr. Wu Siyuan	180	—	—	—	180
Independent non-executive directors					
Mr. Lu Xianzhong (appointed in April, 2023)	128	—	—	—	128
Ms. Pan Shuai	180	—	—	—	180
Mr. Liu Chuntian (resigned in March, 2023)	45	—	—	—	45
Supervisors					
Ms. Yue Rong	180	—	—	—	180
Mr. Su Hua	—	509	113	61	683
Ms. Kun Xiaojie	—	274	29	31	334
	893	1,334	347	155	2,729

	Year ended December 31, 2024				
	Directors' and supervisors' fee	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liao Jie	—	—	—	—	—
Mr. Chai Jijun	—	599	237	66	902
Mr. Li Changxu	180	—	—	—	180
Non-executive director					
Mr. Wu Siyuan	180	—	—	—	180
Independent non-executive directors					
Mr. Lu Xianzhong	180	—	—	—	180
Ms. Pan Shuai (resigned in October, 2024)	141	—	—	—	141
Mr. Zhang Lei (appointed in October, 2024)	39	—	—	—	39
Supervisors					
Ms. Yue Rong	180	—	—	—	180
Mr. Su Hua	—	508	47	61	616
Ms. Kun Xiaojie	—	274	19	31	324
	900	1,381	303	158	2,742

	Year ended December 31, 2025				
	Directors' and supervisors' fee	**Salaries, allowances and benefits in kind**	**Discretionary bonuses**	**Retirement scheme contributions**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Liao Jie	—	—	—	—	—
Mr. Chai Jijun	—	631	300	68	999
Mr. Li Changxu (resigned in September, 2025)	124	—	—	—	124
Non-executive director					
Mr. Wu Siyuan	180	—	—	—	180
Independent non-executive directors					
Mr. Lu Xianzhong	180	—	—	—	180
Mr. Zhang Lei	180	—	—	—	180
Supervisors *(Note)*					
Ms. Yue Rong	85	—	—	—	85
Mr. Su Hua	—	265	124	29	418
Ms. Kun Xiaojie	—	124	17	15	156
	749	1,020	441	112	2,322

Note:

In May 2025, the shareholders' meeting passed a resolution to dissolve the supervisor committee in order to optimize the group structure.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors, supervisors and other employees included in the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 are set forth below:

	Years ended December 31,		
	2023	**2024**	**2025**
	Number of individuals	*Number of individuals*	*Number of individuals*
Directors and supervisors	1	1	1
Other employees	4	4	4
	5	5	5

The emoluments of the directors and supervisors are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals, are as follows:

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	2,602	2,370	2,438
Discretionary bonuses	412	360	497
Share-based payments expenses *(Note 28)*	432	4,253	65
Retirement scheme contributions	210	266	268
	3,656	7,249	3,268

The emoluments of the individuals who are not directors or supervisors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Years ended December 31,		
	2023	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*
HK$Nil–HK$1,000,000	3	1	4
HK$1,000,001–HK$1,500,000	1	1	—
HK$1,500,001–HK$2,000,000	—	1	—
HK$2,500,001–HK$3,000,000	—	1	—
	4	4	4

10 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue.

	Years ended December 31,		
	2023	2024	2025
Profit for the year attributable to ordinary equity shareholders of the Company *(RMB'000)*	145,594	119,147	83,027
Weighted average number of ordinary shares in issue	700,156,186	697,879,719	698,383,136
Basic earnings per share *(RMB)*	0.21	0.17	0.12

Weighted average number of ordinary shares

	Years ended December 31,		
	2023	2024	2025
Issued ordinary shares at January 1	700,577,436	700,577,436	700,577,436
Less: treasury shares at January 1 *(Note 30(d)(ii))*	—	(2,383,800)	(2,264,800)
Ordinary shares outstanding at January 1	700,577,436	698,193,636	698,312,636
Effect of ordinary shares repurchased *(Note 30(d)(ii))*	(421,250)	(407,917)	—
Effect of restricted share units vested *(Note 28)*	—	94,000	70,500
Weighted average number of ordinary shares at December 31	700,156,186	697,879,719	698,383,136

(b) Diluted earnings per share

The calculation of diluted earnings per share during the Track Record Period is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares after adjusting for the effect of restricted shares units (Note 28), calculated as follows:

	Years ended December 31,		
	2023	2024	2025
Profit for the year attributable to ordinary equity shareholders of the Company *(RMB'000)*	145,594	119,147	83,027
Weighted average number of ordinary shares (diluted)	700,250,186	698,772,719	698,735,636
Diluted earnings per share *(RMB)*	0.21	0.17	0.12

Weighted average number of ordinary shares (diluted)

	Years ended December 31,		
	2023	2024	2025
Weighted average number of ordinary shares at December 31	700,156,186	697,879,719	698,383,136
Effect of restricted share units *(Note 28)*	94,000	893,000	352,500
Weighted average number of ordinary shares (diluted) at December 31	700,250,186	698,772,719	698,735,636

11 PROPERTY AND EQUIPMENT

The Group

	Office and electronic equipment	Vehicles	Leasehold improvement	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2023	6,926	107	5,787	42,560	815	56,195
Additions	377	—	328	10,201	—	10,906
Business combination *(Note 32)*	434	229	—	3,282	—	3,945
Disposals	(1,796)	—	—	(7,677)	(18)	(9,491)
Foreign currency differences	21	—	—	70	2	93
At December 31, 2023 and January 1, 2024	5,962	336	6,115	48,436	799	61,648
Additions	98	26	—	2,785	—	2,909
Disposals	(713)	(107)	—	(2,975)	(77)	(3,872)
Foreign currency differences	(35)	—	—	(112)	2	(145)
At December 31, 2024 and January 1, 2025	5,312	255	6,115	48,134	724	60,540
Additions	1,493	—	6,194	43,458	—	51,145
Disposals	(1,110)	(255)	(4,699)	(34,490)	(103)	(40,657)
Foreign currency differences	12	—	—	40	(1)	51
At December 31, 2025	5,707	—	7,610	57,142	620	71,079
Accumulated depreciation:						
At January 1 2023	(5,645)	(97)	(1,468)	(9,721)	(693)	(17,624)
Charge for the year	(741)	(58)	(1,685)	(11,091)	(23)	(13,598)
Written back on disposal	1,714	—	—	5,110	—	6,824
Foreign currency differences	(18)	—	—	(17)	(1)	(36)
At December 31, 2023 and January 1, 2024	(4,690)	(155)	(3,153)	(15,719)	(717)	(24,434)
Charge for the year	(571)	(80)	(1,740)	(11,510)	(6)	(13,907)
Written back on disposal	671	97	—	2,975	70	3,813
Foreign currency differences	33	—	—	63	(1)	95
At December 31, 2024 and January 1, 2025	(4,557)	(138)	(4,893)	(24,191)	(654)	(34,433)
Charge for the year	(372)	(36)	(1,703)	(10,967)	(6)	(13,084)
Written back on disposals	1,020	174	4,699	25,399	85	31,377
Foreign currency differences	(13)	—	—	(30)	2	(41)
At December 31, 2025	(3,922)	—	(1,897)	(9,789)	(573)	(16,181)
Net book value:						
At December 31, 2023	1,272	181	2,962	32,717	82	37,214
At December 31, 2024	755	117	1,222	23,943	70	26,107
At December 31, 2025	1,785	—	5,713	47,353	47	54,898

The Company

	Office and electronic equipment	Vehicles	Leasehold improvement	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2023	3,806	107	2,473	22,354	612	29,352
Additions	—	—	—	246	—	246
Disposals	(1,492)	—	—	—	(18)	(1,510)
At December 31, 2023 and January 1, 2024	2,314	107	2,473	22,600	594	28,088
Additions	—	—	—	—	—	—
Disposals	(369)	(107)	—	—	(2)	(478)
At December 31, 2024 and January 1, 2025	1,945	—	2,473	22,600	592	27,610
Additions	747	—	4,885	29,496	—	35,128
Disposals	(589)	—	(2,243)	(21,361)	(17)	(24,210)
At December 31, 2025	2,103	—	5,115	30,735	575	38,528
Accumulated depreciation:						
At January 1, 2023	(3,518)	(97)	(243)	(931)	(496)	(5,285)
Charge for the year	(25)	—	(794)	(5,649)	(22)	(6,490)
Written back on disposal	1,417	—	—	—	—	1,417
At December 31, 2023 and January 1, 2024	(2,126)	(97)	(1,037)	(6,580)	(518)	(10,358)
Charge for the year	(19)	—	(794)	(5,654)	(6)	(6,473)
Written back on disposal	351	97	—	—	—	448
At December 31, 2024 and January 1, 2025	(1,794)	—	(1,831)	(12,234)	(524)	(16,383)
Charge for the year	(38)	—	(949)	(5,321)	(6)	(6,314)
Written back on disposals	559	—	2,243	14,235	—	17,037
At December 31, 2025	(1,273)	—	(537)	(3,320)	(530)	(5,660)
Net book value:						
At December 31, 2023	188	10	1,436	16,020	76	17,730
At December 31, 2024	151	—	642	10,366	68	11,227
At December 31, 2025	830	—	4,578	27,415	45	32,868

During the Track Record Period there is no impairment provided for the Group's property and equipment.

The right-of-use assets represented the leased office premises. The additions to right-of-use assets primarily related to capitalized lease payments payable under new tenancy agreements. None of the leases include variable lease payments. During the Track Record Period, there was no impairment provided for the Group's right-of-use assets.

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets	11,091	11,510	10,967
Expense relating to short-term leases	466	351	277
Interest on lease liabilities *(Note 6(a))*	1,683	1,441	1,716
	13,240	13,302	12,960

Total cash outflow for leases and the maturity analysis of lease liabilities is set out in Notes 21(d) and 26, respectively.

12 INTANGIBLE ASSETS

The Group

	Software	Trademark	Royalty rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023	197,497	66,974	8,931	273,402
Additions	28	—	—	28
Internally developed	25,057	—	—	25,057
Business combination *(Note 32)*	21,960	138	—	22,098
Disposals	—	—	(4,214)	(4,214)
Foreign currency differences	2,435	1,868	—	4,303
At December 31, 2023 and January 1, 2024	246,977	68,980	4,717	320,674
Additions	—	70	—	70
Internally developed	30,811	—	—	30,811
Disposals	—	—	(4,717)	(4,717)
Foreign currency differences	(4,149)	(2,902)	—	(7,051)
At December 31, 2024 and January 1, 2025	273,639	66,148	—	339,787
Additions	3,258	—	—	3,258
Internally developed	22,794	—	—	22,794
Foreign currency differences	1,436	1,038	—	2,474
At December 31, 2025	301,127	67,186	—	368,313
Accumulated depreciation:				
At January 1, 2023	(46,072)	(15,896)	(8,276)	(70,244)
Charge for the year	(21,498)	(3,391)	(562)	(25,451)
Written back on disposal	—	—	4,214	4,214
Foreign currency differences	(652)	(497)	—	(1,149)
At December 31, 2023 and January 1, 2024	(68,222)	(19,784)	(4,624)	(92,630)
Charge for the year	(24,328)	(3,390)	(93)	(27,811)
Written back on disposal	—	—	4,717	4,717
Foreign currency differences	1,442	912	—	2,354
At December 31, 2024 and January 1, 2025	(91,108)	(22,262)	—	(113,370)
Charge for the year	(26,821)	(3,238)	—	(30,059)
Foreign currency differences	(632)	(301)	—	(933)
At December 31, 2025	(118,561)	(25,801)	—	(144,362)
Net book value:				
At December 31, 2023	178,755	49,196	93	228,044
At December 31, 2024	182,531	43,886	—	226,417
At December 31, 2025	182,566	41,385	—	223,951

The Company

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At January 1	2,238	2,238	2,238
Additions	—	—	292
At December 31	2,238	2,238	2,530
Accumulated depreciation:			
At January 1	(1,110)	(1,380)	(1,604)
Charge for the year	(270)	(224)	(201)
At December 31	(1,380)	(1,604)	(1,805)
Net book value:	858	634	725

13 GOODWILL

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At January 1	1,203,187	1,351,448	1,352,876
Addition through business combination *(Note 32)*	146,665	—	—
Foreign currency differences	1,596	1,428	(2,156)
At December 31	1,351,448	1,352,876	1,350,720

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's CGUs identified according to type of business as follows:

CGU	Origin of goodwill	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Entertainment visual content	Acquisition of Dongxing (Tianjin) Shixun Technology Co., Ltd.	90,602	90,602	90,602
500PX community	Acquisition of 500PX, INC.	95,679	97,107	94,951
Creative image designer community	Acquisition of Suzhou Shijue Mi Network Technology Co., Ltd.	52,873	52,873	52,873
Tianjin Five Hundred Pixel photography community	Acquisition of Tianjin Five Hundred Pixel Network	41,312	41,312	41,312
Video content business	Acquisition of Chengdu guangchang	146,665	146,665	146,665
Visual content business	Generate from reverse acquisition	924,317	924,317	924,317
		1,351,448	1,352,876	1,350,720

(a) Key assumptions

The recoverable amount of the CGU is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	2023	2024	2025
Entertainment visual content			
Annual revenue growth rate during the forecast period	0%–5%	–9.7%–3%	–6.2%–7.2%
Gross profit margin	94.7%–95%	77.9%–78.2%	67%–71.2%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	12.44%	11.65%	11.41%
500PX community			
Annual revenue growth rate during the forecast period	3.6%–32.5%	3.5%–14.3%	1.2%–8.82%
Gross profit margin	8.2%–38.3%	12.8%–35%	17%–35.1%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	11.71%	11.76%	11.90%
Creative image designer community			
Annual revenue growth rate during the forecast period	8.5%–15.1%	4.0%–4.2%	4.0%–4.2%
Gross profit margin	69.9%–82.6%	76.3%–82.7%	73.7%–85.5%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	13.63%	11.60%	11.45%
Tianjin Five Hundred Pixel photography community			
Annual revenue growth rate during the forecast period	8.4%–15.3%	4.0%–39.7%	3.7%–32.9%
Gross profit margin	26.2%–48.3%	44.2%–51.7%	48.4%–52.6%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	13.64%	13.12%	13.00%
Video content business			
Annual revenue growth rate during the forecast period	7.58%–10.45%	6.4%–11.5%	3.5%–5%
Gross profit margin	11.53%–12.24%	12.8%–14%	11.3%–11.4%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	12.34%	12.26%	11.95%
Visual content business			
Annual revenue growth rate during the forecast period	8%–10%	8%–15%	8.2%–17.8%
Gross profit margin	15.7%–22.4%	11.2%–21.4%	1.6%–20.4%
Growth rate beyond the forecast period	0%	0%	0%
Pre-tax discount rate	12.05%	11.22%	10.97%

The headroom of corresponding CGU as at December 31, 2023, 2024 and 2025 are as following table.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Entertainment visual content	35,081	22,731	10,998
500PX community	29,747	37,082	15,811
Creative image designer community	6,528	9,878	21,024
Tianjin 500px photography community	17,447	13,314	4,581
Video content business	77,935	164,996	86,031
Visual content business	127,608	158,161	121,373

(b) Sensitivity analysis

Management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to the percentage points of either annual revenue growth rate during the forecast period, or pre-tax discount rate that would, with all other variables held constant, have removed the remaining headroom respectively as at December 31, 2023, 2024 and 2025.

	2023	2024	2025
Entertainment visual content			
Decrease Annual revenue growth rate (percentage points)	7.75%	4.07%	1.95%
Increase Pre-tax discount rate (percentage points)	5.15%	3.11%	1.40%
500PX community			
Decrease Annual revenue growth rate (percentage points)	1.62%	2.12%	1.07%
Increase Pre-tax discount rate (percentage points)	1.95%	2.36%	1.16%
Creative image designer community			
Decrease Annual revenue growth rate (percentage points)	1.64%	2.29%	5.17%
Increase Pre-tax discount rate (percentage points)	1.01%	1.39%	3.23%
Tianjin Five Hundred Pixel photography community			
Decrease Annual revenue growth rate (percentage points)	3.83%	3.46%	1.26%
Increase Pre-tax discount rate (percentage points)	5.25%	4.08%	1.28%
Video content business			
Decrease Annual revenue growth rate (percentage points)	6.95%	13.90%	8.42%
Increase Pre-tax discount rate (percentage points)	4.45%	9.83%	5.07%
Visual content business			
Decrease Annual revenue growth rate (percentage points)	0.45%	0.52%	0.38%
Increase Pre-tax discount rate (percentage points)	0.94%	1.04%	0.75%

As a result of the impairment tests, the Company is of the view that there was no impairment of goodwill as at 31 December 2023, 2024 and 2025. Reasonably possible changes in key assumptions would not lead to impairment as of 31 December 2023, 2024 and 2025.

14 OTHER NON-CURRENT ASSETS

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Corbis Content *(Note)*	557,750	565,921	553,583
Deposits	2,466	6,645	6,332
Others	126	968	2,348
	560,342	573,534	562,263

Note:

In 2016, a subsidiary of the Group entered into an agreement with Corbis Corporation, a U.S. content provider founded by Bill Gates, to purchase its image content assets ("**Corbis Content**") with a cash consideration of USD77,303,194.

The Corbis Content is measured at cost less any accumulated impairment. During the Track Record Period there is no impairment provided for the Group's Corbis Content.

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Deposits	1,341	1,405	1,090

15 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost *(Note)*	2,822,378	2,829,101	2,845,042

Note:

Details of the Group's principal subsidiaries are set out in Note 1.

16 INTERESTS IN A JOINT VENTURE AND ASSOCIATES

The Group

Details of the Group's interest in a joint venture and associates, which is accounted for using the equity method in the consolidated financial statements, are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Interests in a joint venture	443,863	453,388	440,770
Interests in associates	842,813	842,474	727,114
	1,286,676	1,295,862	1,167,884

(a) Interests in a joint venture

Name	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Effective interest held by the Group			Principal activity
				2023	2024	2025	
Hubei Simayan Cultural Technology Co., Ltd. . .	Incorporated	PRC	RMB10,000,000	49%	49%	49%	Wholesale and retail of educational publications

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross amounts of the joint venture			
Current assets	353,714	358,934	323,746
Non-current assets	17,082	16,783	11,286
Current liabilities	31,775	19,676	9,185
Non-current liabilities	9,377	6,958	2,516
Equity	329,644	349,083	323,331
Revenue.	42,793	42,899	27,630
Profit from operations.	18,153	19,439	15,487
Total comprehensive income	18,153	19,439	15,487
Dividend received from the joint venture. . .	—	—	20,580
Reconciled to the Group's interests in the joint venture			
Gross amounts of net assets of the joint venture	329,644	349,083	323,331
Group's effective interest.	49.00%	49.00%	49.00%
Group's share of net assets of the joint venture	161,526	171,051	158,433
Goodwill	282,337	282,337	282,337
Carrying amount in the consolidated financial statements	443,863	453,388	440,770

(b) Interests in associates

The Group

The following list contains only the particulars of a material associate, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Place of incorporation	Particulars of issued and paid-up capital	Proportion of ownership interest As at December 31			Principal activity
			2023	2024	2025	
Getty Images SEA Holding Co., Limited ("**Getty Images SEA**")	Hong Kong	HK374,400,001	50.00%	50.00%	50.00%	Visual content Licensing

Summarized financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Getty Images SEA		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross amounts of the associate			
Current assets	205,232	209,489	210,618
Non-current assets	169,808	172,565	168,749
Current liabilities	12,289	16,170	19,553
Non-current liabilities	24,370	26,229	25,975
Equity	338,381	339,655	333,839
Revenue	96,576	88,726	78,884
Profit from operations	44,144	38,740	41,865
Total comprehensive income	43,091	41,103	41,083
Dividends from the associate	21,187	22,593	19,666
Reconciled to the Group's interests in the associate			
Gross amounts of net assets of the associate	338,381	339,655	333,839
Group's effective interest	50.00%	50.00%	50.00%
Group's share of net assets of the associate	169,191	169,828	166,920
Foreign currency differences	1,582	1,605	1,569
Goodwill	169,985	172,522	168,691
Carrying amount in the consolidated financial statements	340,758	343,955	337,180

Aggregate information of associates that are not individually material:

	As at/for the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	502,055	498,519	389,934
Aggregate amounts of the Group's share of those associates' profit less losses from operations	15,905	13,215	3,901

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests in associates	13,241	12,920	12,911

17 FINANCIAL ASSETS MEASURED AT FVOCI

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests in unlisted equity securities	31,537	30,942	94,292

The Group designated interests in unlisted companies, over which it has neither significant influence nor control, as financial assets measured at FVOCI, as the Group held them for strategic purpose.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests in unlisted equity securities	31,537	29,363	20,919

18 TRADE AND BILLS RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables	535	1,193	1,129
Trade receivables from:			
— Related parties	1,485	1,211	1,211
— Third parties	204,198	207,973	191,061
Less: credit loss allowance	(39,437)	(44,747)	(46,171)
	166,781	165,630	147,230

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables	—	—	99
Trade receivables from:			
— Third parties	27,721	24,660	12,106
Less: credit loss allowance	(4,039)	(5,082)	(4,565)
	23,682	19,578	7,640

All of the trade and bills receivables are expected to be recovered within one year.

Aging analyses

As at the end of each reporting period, the aging analysis of trade receivables, based on the date of revenue recognition and net of loss allowance, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	131,976	139,299	127,977
1 to 2 years	19,718	6,961	6,778
2 to 3 years	10,837	10,830	1,539
Over 3 years	3,715	7,347	9,807
	166,246	164,437	146,101

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 31 (a).

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	16,972	13,758	3,909
1 to 2 years	1,429	1,311	1,063
2 to 3 years	5,267	371	263
Over 3 years	14	4,138	2,306
	23,682	19,578	7,541

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayment to content provider or suppliers	15,702	14,682	34,570
Dividend receivable	37,925	30,849	32,017
Input value-added tax ("**VAT**") recoverable and prepaid income tax	2,173	2,896	4,895
Deposits	1,122	1,465	729
Receivables from sale of investments	8,600	600	23,820
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	4,762	4,829	2,641
Less: credit loss allowance	(17,303)	(11,189)	(9,639)
	52,981	44,132	89,537

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayment to content provider or suppliers	1,732	612	402
Amounts due from subsidiaries	589,168	581,230	615,207
Input VAT recoverable	604	—	841
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	370	170	171
Less: credit loss allowance	(172)	(170)	(170)
	591,702	581,842	616,955

All of the prepayments, deposits and other receivables are expected to be recovered or recognized as expenses or deducted from equity within one year, or due on demand.

20 FINANCIAL ASSETS MEASURED AT FVPL

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Interests in funds	15,236	15,148	14,899
Current			
Wealth management products *(Note i)*	—	—	10,079
Structure deposits *(Note i)*	30,000	—	70,181
Interests in listed equity securities	—	190	734
Interests in unlisted equity securities *(Note ii)*	—	—	49,214
Investment in film right	—	—	2,600
	30,000	190	132,808
	45,236	15,338	147,707

Notes:

(i) As at December 31, 2023, 2024 and 2025, the structured deposits and wealth management products were issued by reputable financial institutions in the PRC. The principal amount and expected returns of these wealth management products are not guaranteed. Further information on the fair value measurement is disclosed in Note 31(e).

(ii) In August 2025, the Group purchased 330,222 series B++ preferred shares of Mini Max Group Inc., at unit price of USD15.14. In January 2026, Mini Max Group Inc. successfully completed its initial public offering in Hong Kong main board. The investee is principally involved in research and development of AI foundation model, as well as rendering AI-related services and AI-native products. The Group recognized changes in fair value of financial assets measured at FVPL of RMB14.3 million in 2025.

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	—	—	10,079

21 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	407,234	533,520	489,232
Less: restricted cash *(Note)*	(56,662)	—	(21,489)
Cash and cash equivalents	350,572	533,520	467,743

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	72,541	48,360	9,742

Note:

As at December 31, 2023, restricted cash was held at bank as deposits to secure bank borrowings (Note 25). As at December 31, 2025, restricted cash was held at bank as deposits for FVPL investment.

(b) Reconciliation of profit before taxation to cash generated from operations

		Years ended December 31,		
		2023	2024	2025
	Note	*RMB'000*	*RMB'000*	*RMB'000*
Profit before taxation		167,632	142,284	98,013
Adjustments for:				
Interest on lease liabilities	6(a)	1,683	1,441	1,716
Interest on bank loans	6(a)	7,210	8,771	8,565
Share of profits less losses of a joint venture and associates	16	(46,766)	(42,111)	(32,795)
Impairment loss on interest in an associate	5	—	3,459	2,064
Impairment loss recognized on trade and other receivables	6(c)	12,749	6,965	3,626
Share-based payment expenses	28	(5,428)	6,722	(59)
Depreciation of property and equipment	6(c)	2,507	2,397	2,117
Depreciation of right-of-use assets	6(c)	11,091	11,510	10,967
Amortization of intangible assets	6(c)	25,451	27,811	30,059
Net losses on disposal of property and equipment		94	47	71
Net losses/(gains) from early termination of lease contracts		434	—	(882)
Changes in fair value of financial assets measured at FVPL	5	(2,354)	(676)	(15,921)
Gain on disposal of an associate		—	—	(456)
Remeasurement gain on acquisition of a subsidiary	5	(31,095)	—	—
Changes in working capital:				
Decrease/(increase) in trade and bills receivables		46,053	(4,945)	14,235
Decrease/(increase) in prepayment, deposits and other receivables		7,498	489	(19,840)
Increase/(decrease) in contract liabilities		11,697	(5,889)	15,172
(Decrease)/increase in trade and bill payables		(7,344)	3,854	(2,634)
(Decrease)/increase in other payables and accruals		(4,698)	4,547	(6,702)
Cash generated from operations		196,414	166,676	107,316

(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 statements of cash flows as cash flows from financing activities.

	Bank loans	Lease liabilities	Other borrowing and interests payable	Total
	RMB'000 *(Note 25)*	*RMB'000* *(Note 26)*	*RMB'000* *(Notes 23, 27)*	*RMB'000*
At January 1, 2023	15,214	34,908	168,203	218,325
Changes from financing cash flows:				
Capital element of lease rentals paid	—	(12,314)	—	(12,314)
Interest element of lease rentals paid	—	(1,683)	—	(1,683)
Proceeds from bank loans	91,240	—	—	91,240
Repayment of bank loans	(26,893)	—	—	(26,893)
Interest paid	(3,342)	—	(4,211)	(7,553)
Total changes from financing cash flows	61,005	(13,997)	(4,211)	42,797
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	9,854	—	9,854
Interest on lease liabilities *(Note 6(a))*	—	1,683	—	1,683
Interest expenses *(Note 6(a))*	2,981	—	4,229	7,210
Early termination of lease contracts	—	(2,133)	—	(2,133)
Upon acquisition of a subsidiary	10,010	2,629	—	12,639
Foreign currency differences	2	68	2,835	2,905
Total other changes	12,993	12,101	7,064	32,158
At December 31, 2023	89,212	33,012	171,056	293,280

	Bank loans	Lease liabilities	Other borrowing and interests payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 25)	*(Note 26)*	*(Notes 23, 27)*	
At January 1, 2024	89,212	33,012	171,056	293,280
Changes from financing cash flows:				
Capital element of lease rentals paid	—	(11,205)	—	(11,205)
Interest element of lease rentals paid	—	(1,441)	—	(1,441)
Proceeds from bank loans	151,346	—	—	151,346
Repayment of bank loans	(140,516)	—	—	(140,516)
Interest paid	(5,214)	—	(4,255)	(9,469)
Total changes from financing cash flows	5,616	(12,646)	(4,255)	(11,285)
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	2,742	—	2,742
Interest on lease liabilities *(Note 6 (a))*	—	1,441	—	1,441
Interest expenses *(Note 6 (a))*	4,503	—	4,268	8,771
Foreign currency differences	(5)	(56)	2,537	2,476
Total other changes	4,498	4,127	6,805	15,430
At December 31, 2024	99,326	24,493	173,606	297,425

	Bank loans	Lease liabilities	Other borrowing and interests payable	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 25)	*(Note 26)*	*(Notes 23, 27)*	*(Note 23)*	
At January 1, 2025	99,326	24,493	173,606	—	297,425
Changes from financing cash flows:					
Capital element of lease rentals paid	—	(10,816)	—	—	(10,816)
Interest element of lease rentals paid	—	(1,716)	—	—	(1,716)
Proceeds from bank loans	55,921	—	—	—	55,921
Proceeds from redemption liabilities	—	—	—	50,000	50,000
Repayment of bank loans	(100,067)	—	—	—	(100,067)
Interest paid	(3,695)	—	(4,305)	—	(8,000)
Total changes from financing cash flows	(47,841)	(12,532)	(4,305)	50,000	(14,678)
Other changes:					
Increase in lease liabilities from entering into new leases during the year	—	42,957	—	—	42,957
Interest on lease liabilities *(Note 6(a))*	—	1,716	—	—	1,716
Early termination of lease contracts	—	(9,973)	—	—	(9,973)
Interest expenses *(Note 6(a))*	3,138	—	4,283	1,144	8,565
Foreign currency differences	2	—	(3,830)	—	(3,828)
Total other changes	3,140	34,700	453	1,144	39,437
At December 31, 2025	54,625	46,661	169,754	51,144	322,184

(d) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases represent lease rental paid and comprise the following:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	388	315	293
Within financing cash flows	13,997	12,646	12,532
	14,385	12,961	12,825

22 TRADE PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
— Third parties	111,710	126,647	132,957
— Related parties	38,854	27,771	18,827
	150,564	154,418	151,784

All of the trade payables are expected to be settled within one year or are repayable on demand.

As at the end of each reporting period, the aging analysis of trade payables of the Group, based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	140,747	145,602	142,323
1 to 2 years	7,418	5,414	6,527
Over 2 years	2,399	3,402	2,934
	150,564	154,418	151,784

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables			
— Third parties	1,333	2,464	2,414
— Subsidiaries	22,800	21,963	21,271
— Related parties	977	77	30
	25,110	24,504	23,715

As at the end of each reporting period, the aging analysis of trade payables of the Company based on the invoice date, is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,933	4,177	3,949
1 to 2 years	1,070	65	336
Over 2 years	20,107	20,262	19,430
	25,110	24,504	23,715

23 OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Staff costs payables	19,225	24,998	20,306
Payables for services	7,714	8,873	13,439
Advance payment for restricted shares	13,743	9,471	6,286
Redemption liabilities *(Note)*	—	—	51,144
Consideration payable for business combination *(Note 32)*	10,000	10,000	12,000
Consideration payable for investments in an associate	2,000	—	—
Other taxes payable	11,093	13,134	12,465
Interests payable due to a related party *(Note 27)*	1,071	1,084	1,063
Dividend payable	59	30	57
Others	2,513	961	1,234
Total	67,418	68,551	117,994

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payable for restricted shares repurchase	13,743	9,471	6,286
Other taxes payable	1,146	1,048	703
Staff costs payables	90	97	46
Amounts due to subsidiaries	4,500	28,993	67,993
Others	1,161	4,544	5,265
Total	20,640	44,153	80,293

All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

Note:

In June 2025, a third-party investor subscribed for a proportion of paid-in capital newly issued by one subsidiary of the Group. According to the agreement, the subsidiary has obligation to redeem the investor's investment upon the occurrence of certain redemption events. The Group recognised the financial liabilities arising from its obligation as not all redemption events are within the Group's control.

24 CONTRACT LIABILITIES

The contract liabilities as at January 1, 2023, 2024 and 2025 were RMB86,888,000, RMB118,247,000 and RMB112,358,000, respectively. The amounts of revenue recognized during the years ending December 31, 2023, 2024 and 2025 that were included in contract liabilities at the beginning of the period were RMB58,703,000, RMB93,384,000 and RMB87,142,000, respectively.

25 BANK LOANS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank loans			
— Secured *(Note i)*	9,117	53,816	29,492
— Guaranteed by the Company	—	25,416	15,073
— Guaranteed by a subsidiary of the Group	50,000	—	—
— Guaranteed by third parties *(Note ii)*	10,010	—	—
— Unsecured and unguaranteed	20,085	20,094	10,060
	89,212	99,326	54,625

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Bank loans			
— Guaranteed by a subsidiary of the Group	50,000	—	—
— Unsecured and unguaranteed	20,023	20,023	10,009
	70,023	20,023	10,009

All the bank loans are repayable within one year.

Notes:

(i) As at December 31, 2023, 2024 and 2025, the banking facilities of the Group were secured by restricted cash, trade receivables, and intellectual property with an aggregate carrying value of RMB56.66 million, RMB64.64 million and RMB30.89 million, respectively.

(ii) The bank borrowing is guaranteed by Mr. Yang Da, the founding shareholder of Chengdu Guangchang, and his spouse, and bears an interest rate of 3.55% per annum.

26 LEASE LIABILITIES

The lease liabilities were repayable as follows as of the end of each reporting period:

The Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	9,501	8,868	8,430
After 1 year but within 2 years	9,912	9,757	9,736
After 2 years but within 5 years	13,599	5,868	28,495
Total	33,012	24,493	46,661

The Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,732	3,983	3,227
After 1 year but within 2 years	5,722	6,014	4,723
After 2 years but within 5 years	6,037	—	17,995
Total	15,491	9,997	25,945

27 OTHER NON-CURRENT LIABILITIES

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Consideration payable for business combination	22,000	12,000	—
Other borrowing *(Note)*	169,985	172,522	168,691
Total	191,985	184,522	168,691

Note:

In 2016, one subsidiary of the Group received a long-term borrowing amounting to USD24,000,000 from Getty Images SEA, an associate of the Group, at a fixed rate of 2.5% per annum. The maturity date of the borrowing is the earlier of the 20th anniversary of the drawdown date, or the date the subsidiary ceases to be the shareholder of the lender. The interests shall be repaid quarterly.

28 EQUITY-SETTLED SHARE-BASED PAYMENTS TRANSACTIONS

To incentivise employees and management of the Group, the Board of Directors approved the 2021 share option incentive plan (the "**2021 Plan**") on February 3, 2021, the 2023 employee stock ownership plan (the "**2023 Plan I**") on November 13, 2023, and the 2023 restricted shares incentive plan (the "**2023 Plan II**") on November 20, 2023. These plans implemented equity awards for eligible employees and management of the Group through the grant of share options and restricted share units, aiming to attract and retain skilled and experienced personnel, and to provide additional incentives to employees and management of the Group.

The equity awards are issued under both service and performance conditions. The grantee is generally subject to a three-year service period from the date of grant, with the awards become vesting 40%, 30%, and 30% upon completion of the respective year of service. The performance condition is non-market metrics which are determined by the Board of Directors.

(i) The movements of the shares option under the 2021 Plan of the Group during the Track Record Period are summarized as follows:

	Number of options	**Weighted average exercise price**
		RMB
Outstanding at January 1, 2023	3,669,750	12.14
Forfeited during the year	(3,669,750)	12.14
Outstanding and exercisable at December 31, 2023, 2024 and 2025	—	—

(ii) The movements of the restricted share units under the 2023 Plan I and 2023 Plan II of the Group during the Track Record Period are summarized as follows:

	Years ended December 31		
	2023	**2024**	**2025**
Number of restricted share units			
Outstanding at January 1,	—	1,410,000	846,000
Granted during the year	1,410,000	—	—
Vested during the year	—	(564,000)	(423,000)
Forfeit during the year	—	—	(423,000)
Outstanding at December 31,	1,410,000	846,000	—

The fair value of restricted shares units granted under 2023 Plan I and 2023 Plan II is RMB15.07 and RMB17.08 per share, respectively, which is determined by the difference between the subscription price and the fair value of the ordinary shares of the Company at grant date.

(iii) Share-based payment expenses

	Years ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Administrative expenses	(5,428)	6,722	(59)

29 INCOME TAX IN THE CONSOLIDATED SATEMENTS OF FINANCIAL POSITION

The Group

(a) Current taxation in the consolidated statements of financial position:

	Years ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Income tax payable at January 1	16,652	16,226	14,887
Provision for the year *(Note 7)*	16,397	15,023	7,582
Business combination *(Note 32)*	432	—	—
Tax paid	(17,255)	(16,362)	(9,357)
Income tax payable at December 31	16,226	14,887	13,112

(b) Deferred tax assets and liabilities recognized:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

Deferred tax arising from:	Fair value adjustment arising from business combination	Credit loss allowance	Financial assets measured at FVOCI	Financial assets measured at FVPL	Lease liabilities	Right-of-use assets	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As of January 1, 2023	(5,609)	4,464	(2,259)	(3,121)	5,781	(5,622)	34	(6,332)
Credited/(charged) to profit or loss	895	(314)	—	2,536	971	(1,110)	(34)	2,944
Effect on deferred tax balances resulting from a Change in tax rate	(133)	—	—	—	—	—	—	(133)
Credited to fair value reserve	—	—	2,259	—	—	—	—	2,259
Exchange differences	(153)	—	—	—	—	—	—	(153)
Business combination	(3,337)	—	—	—	400	(383)	—	(3,320)
As of December 31, 2023	(8,337)	4,150	—	(585)	7,152	(7,115)	—	(4,735)
Credited/(charged) to profit or loss	933	1,973	—	13	(1,883)	2,030	3	3,069
Effect on deferred tax balances resulting from a Change in tax rate	(132)	—	—	—	—	—	—	(132)
Credited to fair value reserve	—	—	1,352	—	—	—	—	1,352
Exchange differences	229	—	—	—	—	—	—	229
As of December 31, 2024	(7,307)	6,123	1,352	(572)	5,269	(5,085)	3	(217)
Credited/(charged) to profit or loss	1,232	161	—	(81)	4,497	(4,497)	1,315	2,627
Effect on deferred tax balances resulting from a Change in tax rate	(384)	—	—	—	—	—	—	(384)
Charged to fair value reserve	—	—	(672)	—	—	—	—	(672)
Exchange differences	(96)	—	—	—	—	—	—	(96)
As of December 31, 2025	(6,555)	6,284	680	(653)	9,766	(9,582)	1,318	1,258

In accordance with the accounting policy set out in Note 2(r), the Group has not recognized deferred tax assets in respect of cumulative tax losses and deductible temporary differences of RMB304,192,012, RMB256,496,409 and RMB270,935,382 as at December 31, 2023, 2024 and 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. For entities operated in Chinese Mainland, the unused tax losses are allowed to be carried forward for a five-year period, and a ten-year period for HNTE entities. For entities operated in Canada, the unused tax losses are allowed to be carried forward for a twenty-year period.

(ii) Reconciliation to the consolidated statements of financial position

	Years ended December 31		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax asset in the consolidated statement of financial position	10,902	12,347	17,648
Net deferred tax liability in the consolidated statement of financial position	(15,637)	(12,564)	(16,390)

30 CAPITAL, RESERVES AND DIVIDENDS

(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 statements of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of each reporting period are set out below:

The Company

	Share capital	Capital reserve	Share award reserve	Fair value reserve	Other reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	700,577	2,610,580	6,676	6,776	90	57,615	79,049	3,461,363
Changes in equity for 2023:								
Profit for the year	—	—	—	—	—	—	31,867	31,867
Other comprehensive income	—	—	—	(12,072)	—	—	—	(12,072)
Total comprehensive income	—	—	—	(12,072)	—	—	31,867	19,795
Equity-settled share-based payments	—	—	(5,428)	—	—	—	—	(5,428)
Repurchase of shares	—	—	(35,784)	—	—	—	—	(35,784)
Appropriation to statutory reserves	—	—	—	—	—	3,187	(3,187)	—
Dividends declared and approved	—	—	—	—	—	—	(10,509)	(10,509)
Balance at December 31, 2023 and January 1, 2024	700,577	2,610,580	(34,536)	(5,296)	90	60,802	97,220	3,429,437
Changes in equity for 2024:								
Profit for the year	—	—	—	—	—	—	12,673	12,673
Other comprehensive income	—	—	—	1,241	—	—	—	1,241
Total comprehensive income	—	—	—	1,241	—	—	12,673	13,914
Restricted share units vesting	—	—	4,272	—	—	—	—	4,272
Equity-settled share-based payments	—	—	6,722	—	—	—	—	6,722
Repurchase of shares	—	—	(5,984)	—	—	—	—	(5,984)
Appropriation to statutory reserves	—	—	—	—	—	1,267	(1,267)	—
Dividends declared and approved	—	—	—	—	—	—	(20,288)	(20,288)
Balance at December 31, 2024 and January 1, 2025	700,577	2,610,580	(29,526)	(4,055)	90	62,069	88,338	3,428,073
Changes in equity for 2025:								
Loss for the year	—	—	—	—	—	—	(2,558)	(2,558)
Other comprehensive income	—	—	—	2,018	—	—	—	2,018
Total comprehensive income	—	—	—	2,018	—	—	(2,558)	(540)
Restricted share units vesting	—	—	3,185	—	—	—	—	3,185
Equity-settled share-based payments	—	—	(59)	—	—	—	—	(59)
Dividends declared and approved	—	—	—	—	—	—	(16,790)	(16,790)
Balance at December 31, 2025	700,577	2,610,580	(26,400)	(2,037)	90	62,069	68,990	3,413,869

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interim dividend declared of nil, RMB0.008 and RMB0.011 per ordinary share for 2023, 2024, and 2025, respectively	—	5,596	7,695
Final dividend proposed after the end of each reporting period of RMB0.021, RMB0.013, and RMB0.004 per ordinary share in 2023, 2024 and 2025, respectively	14,692	9,095	2,799
	14,692	14,691	10,494

The final dividend proposed after the end of the reporting period has not been recognized as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Final dividend in respect of the previous financial year, approved during the year of RMB0.015, RMB0.021, and RMB0.013 per ordinary share in 2023, 2024 and 2025, respectively	10,509	14,692	9,095

(c) Share capital

(i) Authorized share capital

As at December 31, 2023, 2024 and 2025, the authorized share capital of the Company comprises 700,577,436 ordinary shares with par value of RMB1 per share.

(ii) Issued ordinary shares

	No. of shares
Ordinary shares issued and fully paid:	
At January 1, 2023, December 31, 2023, 2024 and 2025	700,577,436

(d) Nature and purpose of reserves

(i) Capital reserve

The capital reserve mainly represents the differences between the net considerations received and the nominal amount of share capital issued by the Company.

(ii) Share award reserve

The share award reserve comprises (i) the cost for the Company's treasury shares that repurchased for purpose of share-based payments and (ii) the portion of the grant date fair value of share options and RSUs granted to the employees and management of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(q).

During the years ended December 31, 2023 and 2024, the Company repurchased 2,383,800 and 445,000 ordinary shares at cost ranging from RMB12.97 to RMB15.63 per share. As at December 31, 2023, 2024 and 2025, the Group held 2,383,800, 2,264,800, and 1,841,800 shares of the Company's shares, respectively.

(iii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets measured at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 31(e)).

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(v) Statutory reserve

Pursuant to the relevant PRC laws, the Company is required to transfer 10% of net profit (after offsetting prior year losses) determined in accordance with the accounting rules and regulations of the PRC to the statutory reserve until such reserve reaches 50% of the registered capital. The statutory reserve can be utilized, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary and is non-distributable other than in liquidation.

(vi) Other reserve

The other reserve comprises (i) reserve arising from acquisition of additional interests in subsidiaries, represent the difference between consideration and carry amount of non-controlling interests acquired; (ii) change of carrying amount of the Group's interests in associates and joint venture other than profit or loss or profit distribution.

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes 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.

31 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 and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, restricted cash and bills receivable is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

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. Trade receivables are mainly due within a period of 0–180 days from the date of billing.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 13%, 15% and 16% of the total trade receivables, respectively, were due from the Group's largest debtor, and 23%, 28% and 32% of the total trade receivables, respectively, were due from the Group's five largest debtors.

The Group measures loss allowances for trade receivables 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 between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	As at December 31, 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	1.69%	134,248	(2,272)
1–2 years	15.64%	17,351	(2,714)
2–3 years	40.93%	7,108	(2,909)
More than 3 years	74.82%	14,752	(11,037)
Provision on individual basis		32,224	(20,505)
		205,683	(39,437)

	As at December 31, 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	1.83%	141,890	(2,591)
1–2 years	18.57%	8,548	(1,587)
2–3 years	41.11%	9,762	(4,013)
More than 3 years	84.01%	17,159	(14,415)
Provision on individual basis		31,825	(22,141)
		209,184	(44,747)

	As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Within 1 year	1.99%	130,575	(2,598)
1–2 years	19.87%	8,459	(1,681)
2–3 years	53.78%	3,330	(1,791)
More than 3 years	89.52%	21,083	(18,874)
Provision on individual basis		28,825	(21,227)
		192,272	(46,171)

Expected loss rates are based on actual loss experience over the past recent years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the Track Record Period is as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1	32,813	39,437	44,747
Impairment loss recognized during the year	8,077	6,095	4,165
Write-offs	(1,453)	(785)	(2,741)
Balance at December 31	39,437	44,747	46,171

Other receivables

The Group has assessed the ECLs of other receivables based on the debtor's payment history and other information related to the debtors. The Group has identified certain debtors were in financial difficulties and the related credit risks have increased significantly.

Movements in the loss allowance account in respect of other receivables during the Track Record Period are as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at January 1	12,631	17,303	11,189
Impairment loss recognized during the year	4,672	870	(539)
Write-offs	—	(6,984)	(1,011)
Balance at December 31	17,303	11,189	9,639

(b) Liquidity risk

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 adequate committed lines of funding from major financial institutions and investors 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 non-derivative 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 end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2023					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less th n 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans *(Note 25)*	89,212	—	—	—	89,212	89,212
Lease liabilities *(Note 26)*	11,164	10,911	13,975	—	36,050	33,012
Trade payables *(Note 22)*	150,564	—	—	—	150,564	150,564
Other payables and accruals *(Note 23)*	37,100	—	—	—	37,100	37,100
Other non-current liabilities *(Note 27)*	4,250	14,250	24,749	193,729	236,978	191,985
	292,290	25,161	38,724	193,729	549,904	501,873

	As at December 31, 2024					
	Contractual undiscounted cash outflow					
	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*
Bank loans *(Note 25)*	99,326	—	—	—	99,326	99,326
Lease liabilities *(Note 26)*	9,849	10,266	6,275	—	26,390	24,493
Trade payables *(Note 22)*	154,418	—	—	—	154,418	154,418
Other payables and accruals *(Note 23)*	30,419	—	—	—	30,419	30,419
Other non-current liabilities *(Note 27)*	4,313	16,313	24,939	201,118	246,683	184,522
	298,325	26,579	31,214	201,118	557,236	493,178

	As at December 31, 2025					
	Contractual undiscounted cash outflow					
	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*
Bank loans *(Note 25)*	54,625	—	—	—	54,625	54,625
Lease liabilities *(Note 26)*	10,392	11,146	30,193	—	51,731	46,661
Trade payables *(Note 22)*	151,784	—	—	—	151,784	151,784
Other payables and accruals *(Note 23)*	85,223	—	—	—	85,223	85,223
Other non-current liabilities *(Note 27)*	4,217	16,217	24,652	192,435	237,521	168,691
	306,241	27,363	54,845	192,435	580,884	506,984

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arising from lease liabilities, bank loans and other borrowings is not significant as these financial instruments primarily are at fixed rate.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, prepayment, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

The currency giving rise to this risk is primarily United States Dollars ("**USD**"), and Swiss Francs ("**CHF**") The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date.

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
USD			
— Trade receivables	4,595	4,591	4,223
— Prepayments, deposits and other receivables	1,403	1,165	596
— Cash and cash equivalents	38,547	88,307	94,785
— Trade payables	(42,160)	(30,567)	(21,940)
	2,385	63,496	77,664
CHF			
— Cash and cash equivalents	—	—	21,440

(ii) Sensitivity analysis

The following tables indicate the instantaneous change in the Group's profit after tax (and retained earnings) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period had changed at that dates, assuming all other risk variables remained constant.

	As at December 31					
	2023		2024		2025	
	Appreciation/ (depreciation) of foreign currency against RMB	Effect on profit after tax and retained profits	Appreciation/ (depreciation) of foreign currency against RMB	Effect on profit after tax and retained profits	Appreciation/ (depreciation) of foreign currency against RMB	Effect on profit after tax and retained profits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	10%	(179)	10%	(4,763)	10%	(5,825)
	–10%	179	–10%	4,763	–10%	5,825
CHF	—	—	—	—	10%	(1,608)
	—	—	—	—	–10%	1,608

(e) Fair value measurement

(i) Assets 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.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at the end of each reporting date:

	Fair value at December 31, 2023	Fair value measurements as at December 31, 2023 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
Interests in funds	15,236	—	—	15,236
Structure deposits	30,000	—	30,000	—
Financial assets measured at FVOCI				
Interests in unlisted equity securities	31,537	—	—	31,537
	76,773	—	30,000	46,773

	Fair value at December 31, 2024	Fair value measurements as at December 31, 2024 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
Interests in funds	15,148	—	—	15,148
Interests in listed equity securities	190	190	—	—
Financial assets measured at FVOCI				
Interests in unlisted equity securities	30,942	—	—	30,942
	46,280	190	—	46,090

	Fair value at December 31, 2025	Fair value measurements as at December 31, 2025 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVPL				
Interests in funds	14,899	—	—	14,899
Interests in unlisted equity securities	49,214	—	—	49,214
Wealth management products	10,079	—	10,079	—
Structure deposits	70,181	—	70,181	—
Interests in listed equity securities	734	734	—	—
Interests in film right	2,600	—	—	2,600
Financial assets measured at FVOCI				
Interests in unlisted equity securities	94,292	—	—	94,292
	241,999	734	80,260	161,005

Financial instruments in level 2

Financial assets at FVPL

The fair value of the financial assets including wealth management products and structure deposits is determined based on the unit price published on the counterparty bank's or financial institution's websites, which is in Level 2. The published unit price is the unit price at which a holder could redeem the fund units at the end of each reporting period presented. The fair value of investment in film right is determined based on the expected return upon the contractual arrangement.

Financial instruments in level 3

During the Track Record Period, the Group's investments in equity securities measured at FVPL and FVOCI are investments in non-listed entities of which fair values were substantially determined based on either the latest round of equity financing obtained by these entities or based on market approach. Given the discount for lack of marketability was not developed by the Group, the management of the Group did not carry out nor present any information on sensitivity analysis.

During the Track Record Period, there were no transfers between Level 1 and Level 2, 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.

As of December 31, 2024 and 2025, an associate accounted for using equity method was measured using significant unobservable inputs (Level 3) and written down from its respective carrying values to recoverable amount, with impairment charges of RMB3.4 million and RMB2.1 million incurred and recorded in earnings for the years ended 2024 and 2025, respectively. The estimate of recoverable amount was based on the investment's value in use, which the estimated cash flows used in the assessments were reference to the business plans and prevailing market conditions of the investee. The Group applies significant judgments in estimating value in use of the investment including selection of valuation methods and significant assumptions used in valuation. The key assumptions used in estimating the recoverable amount are as follows:

	2024	2025
Revenue growth rate in forecast period	21.50%–131.00%	17.50%–370.30%
Profit margin in forecast period	26.10%–36.90%	9.21%–26.16%
Profit margin in perpetuity period	36.90%	26.26%
Pre-tax discount rate	10.43%	10.27%

The movements during the Track Record Period in the balance of these Level 3 fair value measurements were as follows:

	Financial assets measured at FVPL	Financial assets designed at FVOCI	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2023	14,550	46,530	61,080
Changes in fair value	686	(14,993)	(14,307)
At December 31, 2023 and January 1, 2024	15,236	31,537	46,773
Additions	—	13,994	13,994
Changes in fair value	(88)	(14,589)	(14,677)
At December 31, 2024 and January 1, 2025	15,148	30,942	46,090
Additions	51,814	66,326	118,140
Changes in fair value	(249)	(2,976)	(3,225)
At December 31, 2025	66,713	94,292	161,005

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost were not materially different from their fair values as at December 31, 2023, 2024 and 2025.

32 BUSINESS COMBINATION

In March 2023, the Group entered into an equity transfer agreement to acquire an additional 31.6% equity interests in Chengdu Guangchang, a then 30% owned associate of the Group that operates an online audio and video content licensing platform. The aggregate purchase price for the 31.6% equity interests amounted to RMB94.8 million, comprising both cash and contingent consideration. The contingent consideration is subject to Chengdu Guangchang's future 3-year operation results and is initially and subsequently measured at fair value through profit and loss, which was classified as a liability in the consolidated statements of financial position.

Upon completion of this transaction, Chengdu Guangchang became a subsidiary of the Group and the financial results were consolidated into the financial statements of the Group.

(i) Identifiable assets acquired and liabilities assumed

The following table summarises the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition:

	Note	Fair value on acquisition
		RMB'000
Identifiable assets and liabilities:		
Property and equipment	11	3,945
Intangible assets	12	22,098
Deferred tax assets	29	401
Prepayments, deposits and other receivables		24,850
Cash and cash equivalents		70,840
Bank loans	25	(10,010)
Trade payables		(14,034)
Other payables and accruals		(9,739)
Contract liabilities		(19,662)
Lease liabilities	21	(2,629)
Current taxation	29	(432)
Deferred tax liabilities	29	(3,721)
Net identifiable assets acquired		61,907

(ii) Goodwill

	RMB'000
Cash consideration	62,800
Contingent consideration at fair value	32,000
Fair value of previously held equity interest in the acquiree at the acquisition date	90,000
Non-controlling interests	23,772
Fair value of identifiable net assets	(61,907)
Goodwill	146,665

Notes:

(i) Remeasurement gain of existing equity interest

The remeasurement to fair value of the Group's existing 30% interest in Chengdu Guangchang resulted in a gain of RMB31,095,000 (being the fair value of such pre-existing interest at the date of acquisition of RMB90,000,000 less its then carrying amount of RMB58,905,000), which has been included in other net income (see Note 5).

(ii) Contingent consideration payables for the business combination

The Group's estimated liability for contingent consideration payables for the acquisition measured at fair value. The contingent consideration payables are included in other payables and accruals and other non-current liabilities on the consolidated statements of financial position. The Group considered that the performance targets in upcoming 3-years would be highly probable to be achieved, the fair value of this financial liability is approximately equal to the contractual future cash outflow. The Group estimated the fair value of contingent consideration payables using an expected cash flow method with unobservable inputs of probabilities of successful achievements of performance conditions post-acquisition, and accordingly the Group classifies the valuation techniques that use these inputs as Level 3.

As Chengdu Guangchang satisfied the performance commitment for the years ended December 31, 2023, 2024, and 2025, the Group paid consideration amounts of RMB10 million, RMB10 million and RMB12 million in 2024, 2025 and 2026, respectively.

(iii) Net cash outflow arising from the acquisition of subsidiaries

	RMB'000
Consideration paid-in cash during the year	62,800
Less: cash acquired	(70,840)
	(8,040)

Since the acquisition, the subsidiary contributed revenue of RMB171,208,000 and net profit of RMB20,219,000 to the Group's results for the year ended December 31, 2023. If the acquisitions had occurred on January 1, 2023, consolidated revenue and net profit for the year ended December 31, 2023 would have been RMB821,296,000 and RMB156,280,000, respectively.

The goodwill is attributable mainly to the technical and work assembly gathered by Chengdu Guangchang and the synergies expected to be achieved from integrating the Company into the Group's existing full-cycle visual content licensing services. None of the goodwill recognized is expected to be deductible for tax purposes.

33 PRE-ACQUISITION FINANCIAL INFORMATION OF CHENGDU GUANGCHANG

The pre-acquisition financial information of Chengdu Guangchang from the beginning of the Track Record Period to the date of acquisition presented in accordance with Rule 4.05A of the Listing Rules is disclosed below. The accounting policies adopted in the preparation of the pre-acquisition financial information is consistent with those adopted in the preparation of the Historical Financial Information.

Statement of profit or loss and other comprehensive income
(Expressed in RMB)

	Note	Three months ended March 31, 2023
		RMB'000
Revenue	33(a)	40,466
Cost of revenue		(30,967)
Gross profit		**9,499**
Other net income		1,150
Selling and distribution expenses		(1,537)
Administrative expenses		(3,130)
Research and development expenses		(2,459)
Impairment loss on other receivables		(3)
Profit from operations		**3,520**
Finance costs	33(b)	(133)
Profit before taxation		**3,387**
Income tax		(197)
Profit for the period		**3,190**
Profit and total comprehensive income for the period attributable to equity shareholders of Chengdu Guangchang		**3,190**

Statements of financial position

	Note	As at March 31,2023
		RMB'000
Non-current assets		
Property and equipment	33(c)	3,798
Deferred tax assets		401
Other non-current assets		536
		4,735
Current assets		
Prepayments, deposits and other receivables	33(d)	24,314
Cash and cash equivalents		70,840
		95,154
Current liabilities		
Trade payables	33(e)	14,034
Contract liabilities		19,662
Bank loans	33(f)	10,010
Current lease liabilities	33(g)	2,085
Other payables and accruals	33(h)	9,739
Current taxation		432
		55,962
Net current assets		**39,192**
Total assets less current liabilities		**43,927**
Non-current liabilities		
Non-current lease liabilities	33(g)	544
Deferred tax liabilities		383
		927
NET ASSETS		**43,000**
Capital and reserves		
Share capital		1,250
Reserves		41,750
TOTAL EQUITY		**43,000**

Statements of changes in equity

	Share capital	Capital reserve	Statutory reserve	Retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2023	1,250	39,750	2,000	17,431	60,431
Changes for period from January 1, 2023 to March 31, 2023					
Profit for the period	—	—	—	3,190	3,190
Total comprehensive income	1,250	39,750	2,000	20,621	63,621
Dividends declared and approved	—	—	—	(20,621)	(20,621)
Balance at March 31, 2023	1,250	39,750	2,000	—	43,000

Statement of cash flows

	Three months ended March 31, 2023
	RMB'000
Operating activities	
Cash generated from operations	3,531
Income tax paid	(2)
Net cash generated from operating activities	3,529
Financing activities	
Bank loan interests paid	(93)
Capital element of lease rentals paid	(536)
Interest element of lease rentals paid	(40)
Dividends paid	(13,000)
Net cash used in financing activities	(13,669)
Net decrease in cash and cash equivalents	(10,140)
Cash and cash equivalents at the beginning of period	80,980
Cash and cash equivalents at the end of period	70,840

(a) Revenue

	Three months ended March 31, 2023
	RMB'000
Revenue from contracts with customers within the scope of IFRS 15	
Disaggregated by major products or service lines	
Content Licensing Services	40,466
Disaggregated by timing of revenue recognition	
Point in time	40,466

(b) Profit before taxation

(i) Finance costs

	Three months ended March 31, 2023
	RMB'000
Interest on bank loans	93
Interest on lease liabilities	40
	133

(ii) Staff costs

	Three months ended March 31, 2023
	RMB'000
Salaries, wages and other benefits	2,441
Contributions to defined contribution retirement plans	138
	2,579

(iii) Other items

	Three months ended March 31, 2023
	RMB'000
Depreciation charge	
— Property and equipment *(Note 33(c))*	67
— Right-of-use assets *(Note 33(c))*	527
Impairment loss on receivables	
— Other receivables *(Note 33(d))*	3

(c) Property and equipment

	Office equipment	Vehicles equipment	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At January 1, 2023	714	299	6,189	7,202
Additions	32	—	27	59
At March 31, 2023	746	299	6,216	7,261
Accumulated depreciation:				
At 1 January 2023	(356)	(106)	(2,407)	(2,869)
Charge for the year	(49)	(18)	(527)	(594)
At March 31, 2023	(405)	(124)	(2,934)	(3,463)
Net book value:				
At March 31, 2023	341	175	3,282	3,798

(d) Prepayments, deposits and other receivables

	As at March 31, 2023
	RMB'000
Prepayment to content provider	1,510
Prepayments for services	1,104
Due from the Group	16,000
Deposits in third-party payment processors	5,000
Others	703
Less: credit loss allowance	(3)
	24,314

(e) Trade payables

	As at March 31, 2023
	RMB'000
Trade payables	
— Third parties	9,990
— The Group	4,044
	14,034

(f) Bank loan

	As at March 31, 2023
	RMB'000
Guaranteed by third parties *(Note 25)*	10,010

(g) Lease liabilities

	As at March 31, 2023
	RMB'000
Within 1 year	2,085
After 1 year but within 2 years	544
Total	2,629

(h) Other payables and accruals

	As at March 31, 2023
	RMB'000
Staff costs payables	758
Other taxes payable	1,360
Dividend payable	7,621
Total	9,739

34 COMMITMENTS

As of December 31, 2023 and 2024 the Group did not have any significant contractual and capital commitments.

Commitment outstanding at December 31, 2025 not provided for in the Historical Financial Information was contracted for acquisition of an investment in fund of RMB28.0 million.

35 CONTINGENCIES

In July 2025 and December 2025, Osports (Beijing) Culture Media Co., Ltd. ("**Osports**") filed two legal proceedings against one subsidiary of the Group. The claims arose from the display and distribution through our platform, of content related to certain seasons of the CBA league. Osports claimed an aggregate amount of approximately RMB20.0 million, stating that its interests, as the official image supplier of the filming and distribution of CBA event, were severely impaired. The subsidiary and the Group asserted that the use of image content was appropriately authorized and licensed by the content provider, i.e. the copyright owner.

To the date of this report, the proceedings remain pending first instance trials before the relevant court.

36 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 December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors' fee	713	720	664
Salaries, allowances and benefits in kind	3,713	3,284	3,624
Discretionary bonuses	617	598	798
Share-based payments *(Note 28)*	790	4,253	65
Retirement scheme contributions	327	370	404
	6,160	9,225	5,555

Total remuneration is included in "staff costs" (see Note 6 (b)).

(b) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

Name of related parties	Relationship with the Group
Tibet Lingbo Cultural Communication Co., Ltd. ("**Tibet Lingbo**")	Associate
Getty Images SEA	Associate
Guangdong Yijiao Youpei Education Technology Co., Ltd.	Associate
Beijing Hongrui Dake Technology Co., Ltd. ("**Hongrui Dake**")	An entity jointly controlled by one joint controller of the Group
Shanghai Visual Charity Foundation ("**Visual Foundation**")	An institution that key management personnel of the Group has significant influence

(c) Material transactions with related parties during the Track Record Period

The Group entered into the following material related party transactions during the Track Record Period:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Provision of services			
— Associate	2,658	(244)	—
— An institution that key management personnel of the Group has significant influence	—	—	559
Purchases of services			
— Associate	43,140	36,799	32,226
— An entity jointly controlled by one joint controller of the Group	1,121	1,309	2,063
Interest expense accrued for other borrowings			
— Associate	4,250	4,313	4,217

(d) Balances with related parties as at the end of each reporting period

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature			
Trade receivables, net			
— Associate	1,167	598	181
Prepayments and other receivables			
— Associate	—	73	138
— An entity jointly controlled by one joint controller of the Group	85	310	431
Trade payables			
— Associate	38,854	27,771	18,827
Non-trade in nature *(note)*			
Dividends receivable			
— Associate	23,319	21,451	23,397
Other payables			
— Associate	97	—	—
— An entity is jointly controlled by one joint controller of the Group	—	1	23
— Key management personnel	—	—	14
Other borrowings and interests payable			
— Associate	171,056	173,606	169,754

Note:

The borrowings from associate will be settled in accordance with the payment term in loan agreement.

Other than that, the non-trade nature balances will be settled before [REDACTED].

(e) Leasing arrangement

The Group leased the office space and certain equipment from an entity jointly controlled by one joint controller of the Group. The amount of rent payable by the Group under the lease is RMB0.5 million per month. As at December 31, 2023, 2024 and 2025, the lease liabilities were RMB19.2 million, RMB14.0 million and RMB29.2 million, respectively, and the lease deposits receivables were RMB1.3 million, RMB1.4 million and RMB1.1 million, respectively.

37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As of December 31, 2025, the directors consider the immediate and ultimate joint controlling party of the Group to be Mr. Liao Daoxun (廖道訓), Ms. Wu Yurui (吳玉瑞) and Mr. Chai Jijun (柴繼軍).

38 SUBSEQUENT EVENTS

[Save as disclosed above, there was no material subsequent events after December 31, 2025 and up to the date of this report.]

39 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information, including:

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the classification and measurement of financial instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements	January 1, 2027
IFRS 19, Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IAS 21, Translation to a hyperinflationary presentation currency	January 1, 2027
Amendments to IFRS 10 and IAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss and other comprehensive income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to December 31, 2025.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1. TAXES ON SECURITY HOLDERS

Income tax and capital gains tax for H-share holders are governed by the laws and practices of China and the jurisdictions in which H-share holders are residents or are otherwise subject to taxation. The following summary of certain relevant tax provisions is based on current laws and practices, which are subject to change, and does not constitute legal or tax advice. The discussion is not intended to cover all tax consequences that may arise from H-share [REDACTED], nor does it take into account the specific circumstances of any individual [REDACTED], some of which may be subject to special rules. Accordingly, you should consult a tax advisor regarding the tax consequences of H-share [REDACTED]. The discussion is based on laws and relevant interpretations in effect as of the date of this document, which are subject to change and may have retroactive effect.

The discussion does not address any Chinese or Hong Kong tax issues other than income tax, capital gains tax, stamp duty, and inheritance tax. Prospective investors should consult their financial advisors regarding the Chinese, Hong Kong, and other tax consequences associated with the ownership and sale of H-shares.

A. Chinese Taxes

Taxes on Dividends

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementing regulations, as most recently amended by the Standing Committee of the National People's Congress on August 31, 2018, and effective as of January 1, 2019, dividends distributed by Chinese enterprises are subject to a flat individual income tax rate of 20%. Non-Chinese resident foreigners receiving dividends from Chinese enterprises are generally subject to a 20% individual income tax, unless specifically exempted by the tax authorities of the State Council or granted tax relief under relevant tax treaties.

Pursuant to the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and its implementing regulations, as most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and effective as of that date, the rate of enterprise income tax shall be 25 per cent. Where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall generally pay enterprise income tax at a rate of 10% on their income generated from inside China (including dividends received from Chinese resident enterprises that have issued shares in Hong Kong). The aforementioned tax payable on the income earned by a non-resident enterprise, shall be withheld at source, with the provider of the income serving as the withholding obligor. When making such a payment, the withholding obligor shall withhold the income tax from such payment.

Non-resident investors residing in jurisdictions that have signed double taxation avoidance agreements or adjustments with China may be entitled to a reduction or exemption from Chinese corporate income tax on dividends received from Chinese companies. China has currently concluded double taxation agreements or arrangements with Hong Kong, Macao, and numerous other countries and regions, including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-resident enterprises eligible for preferential tax rates under relevant tax treaties or arrangements must apply to the Chinese tax authorities for a refund of the portion of corporate income tax exceeding the treaty rate; such refund applications are subject to approval by the Chinese tax authorities.

TAXES RELATED TO SHARE TRANSFERS

Income Tax

Individual Investors

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementing regulations, gains from the transfer of equity interests in Chinese resident enterprises are subject to a 20% individual income tax.

Pursuant to the Notice on the Continued Temporary Exemption from Individual Income Tax on Gains from the Transfer of Shares by Individuals (《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 Ministry of Finance and the State Administration of Taxation on March 30, 1998, gains from the transfer of shares in listed companies by individuals have been temporarily exempt from individual income tax since January 1, 1997.

Pursuant to the Announcement of the Ministry of Finance and the State Administration of Taxation on the Catalog of Preferential Policies on Individual Income Tax for Remaining in Effect (《財政部、國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》)), promulgated by the Ministry of Finance and the State Administration of Taxation on December 29, 2018 and effective on the same date, the Notice on the Continued Temporary Exemption from Individual Income Tax on Gains from the Transfer of Shares by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), promulgated by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 and effective on the same date, shall remain in effect.

However, pursuant to the Notice on Issues Concerning Individual Income Tax Levy on Gains from the Transfer of Restricted Shares of Listed Companies (《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》) jointly issued by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on December 31, 2009, and effective as of January 1, 2010, gains derived from the transfer of shares of companies listed on relevant domestic securities exchanges shall continue to be exempt from individual income tax, except for the relevant restricted shares as defined in the Supplementary Notice on Issues Concerning Individual Income Tax Levy on Gains from the Transfer of Restricted Shares of Listed Companies (《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》), issued by the Ministry of Finance, the State Administration of Taxation, and the China Securities Regulatory Commission on November 10, 2010, and effective as of that date. As of the Latest Practicable Date, the aforementioned provisions do not explicitly stipulate the levy of individual income tax on gains derived from the transfer by non-Chinese resident individuals of shares of Chinese resident enterprises listed on overseas stock exchanges.

Corporate Investors

Pursuant to the Law of the People's Republic of China on Enterprise Income Tax (《中華人民共和國企業所得稅法》) and its implementing regulations, the rate of enterprise income tax shall be 25 per cent. Where a non-resident enterprise has not set up any institutions or establishments in China, or it has done so but the income it earns is not actually relevant to the said institutions or establishments, it shall generally pay enterprise income tax at a rate of 10% on their income generated from inside China (including proceeds from the sale of equity interests in Chinese resident enterprises). The income tax payable on a non-resident enterprise, shall be withheld at source, with the provider of the income serving as the withholding obligor. When making such a payment, the withholding obligor shall withhold the income tax from such payment. This tax may be reduced or exempted in accordance with relevant tax treaties or avoidance of double taxation agreement.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花稅法》), promulgated by the Standing Committee of the National People's Congress on June 10, 2021, and effective as of July 1, 2022, The entities and individuals that conclude taxable certificates, or conduct securities transactions within the territory of the People's Republic of China shall be taxpayers of stamp tax, and shall pay stamp tax; where entities or individuals, outside the territory of the People's Republic of China, conclude taxable certificates that are used within the territory of China, they shall pay stamp tax.

Estate Tax

Under Chinese law, as of the date of this document, no estate tax has been imposed within China.

B. Hong Kong Taxes

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is generally payable in Hong Kong in respect of dividends paid by us, although foreign-sourced dividends on the [REDACTED] received in Hong Kong by a multinational enterprise entity carrying on a trade, profession or business in Hong Kong, which does not satisfy a relevant economic substance requirement, may, subject to certain exceptions, be taxable in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of the Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

2. THE COMPANY'S MAJOR TAXES IN CHINA

Corporate Income Tax

Pursuant to the Corporate Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementing regulations, which were most recently amended by the Standing Committee of the National People's Congress on December 29, 2018, and came into effect on the same date, enterprises established within China in accordance with the law, or those established under the laws of a foreign country (or region) but with their actual place of management within China, shall be deemed resident enterprises. Resident enterprises shall pay a 25% corporate income tax on their income derived from both within and outside China. Preferential corporate income tax rates apply to any key industries or projects supported or encouraged by the state. High-tech enterprises receiving state support are eligible for a reduced corporate income tax rate of 15%. According to the Measures for the Administration of Recognition of High-Tech Enterprises (《高新技術企業認定管理辦法》), as most recently amended by the Ministry of Science and Technology, the Ministry of Finance, and the State Taxation Administration on January 29, 2016, and effective on January 1, 2016, the High-Tech Enterprise Certificate is valid for three years.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》), promulgated by the Standing Committee of the National People's Congress on December 25, 2024, and effective as of January 1, 2026, taxpayer engaged in sale of goods or processing, repair and maintenance, sale services, intangible assets and immovables and importation of goods within the territory of the People's Republic of China shall pay VAT. Unless otherwise provided, generally, VAT taxpayers that sell services or intangible assets are subject to a tax rate of 6%; as for movables leasing services, VAT taxpayers are subject to a tax rate of 9%.

Pursuant to the Provisions on the Pilot Transitional Policy for Replacing Business Tax with Value-Added Tax (《營業稅改征增值稅試點過渡政策的規定》) of the Notice on the Full Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改征增值稅試點的通知》(財稅[2016]36號)) issued by the Ministry of Finance and the State Administration of Taxation on March 3, 2016, and effective on May 1, 2016, taxpayers are exempt from value-added tax for the provision of technology transfer, technology development, and related technical consulting and technical services.

3. FOREIGN EXCHANGE

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), as most recently amended by the State Council on August 5, 2008, and effective on the same date, international payments and transfers are classified into current account and capital account transactions. Current account transactions (such as profit distributions, interest payments, and foreign exchange transactions related to trade and services) may be settled in foreign currency in accordance with specific procedures without prior approval from the State Administration of Foreign Exchange; if RMB is converted into foreign currency and remitted out of China for payment, capital account transactions (such as direct investment, repayment of foreign currency loans, repatriation of investment proceeds, and investment in securities outside China) must be approved by or registered with the relevant government authorities.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Management Policies for 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 by the State Administration of Foreign Exchange on February 13, 2015, effective on June 1, 2015, and partially repealed on December 30, 2019, banks act on behalf of the State Administration of Foreign Exchange to directly review and process foreign exchange registrations for both domestic direct investment and overseas direct investment. while the State Administration of Foreign Exchange and its branches exercise indirect supervision over foreign exchange registration for direct investment through banks.

Pursuant to the Notice of the State Administration of Foreign Exchange on Reforming the Management of Foreign Exchange Capital Conversion for Foreign-Invested Enterprises《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》 ("Document No. 19"), which was issued by the State Administration of Foreign Exchange on March 30, 2015, and became effective as of June 1, 2015, the Notice of the State Administration of Foreign Exchange on the Repeal and Expiration of 15 Foreign Exchange Management Regulatory Documents and the Amendment of Provisions in 14 Foreign Exchange Management Regulatory Documents (《國家外匯管理局關於廢止和失效15件外匯管理規範性文件及調整14件外匯管理規範性文件條款的通知》), which was recently revised by the State Administration of Foreign Exchange on March 23, 2023, and became effective on the same day, foreign-invested enterprises are permitted to use the RMB proceeds from the conversion of foreign exchange capital for equity investments. Pursuant to the Document No. 19, foreign exchange capital in the capital account of a foreign-invested enterprise that has been confirmed as a monetary capital contribution by the State Administration of Foreign Exchange (or registered as a monetary capital contribution by a bank) may be converted into RMB at a bank based on the enterprise's actual operational needs. The voluntary conversion ratio for foreign exchange capital of foreign-invested enterprises is tentatively set at 100%. The State Administration of Foreign Exchange may adjust the aforementioned ratio as appropriate in light of the balance of international payments situation. Furthermore, pursuant to the Document No. 19, the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing Capital Account Exchange Management Policies (《國家外匯管理局關於改革和規範資本 目結匯管理政策的通知》) (Document No. 16) issued by the State Administration of Foreign Exchange on June 9, 2016, and effective on the same day, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Promote the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was most recently revised and effective as of December 4, 2023, non-financial foreign-invested enterprises shall not use the RMB funds derived from their foreign exchange capital for expenditures outside the scope of their business operations, securities investments, or other investment and wealth management activities (except for wealth management products with a risk assessment rating of no higher than Level II and structured deposits), nor shall they extend loans to non-affiliated enterprises or construct or purchase residential real estate for non-self-use purposes.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Facilitating Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was most recently revised and took effect on December 4, 2023, restrictions on domestic equity investments using capital contributions by non-investment-oriented foreign-invested enterprises have been cancelled. Non-investment-oriented foreign-invested enterprises are permitted to use their capital contributions to make domestic equity investments in accordance with the law, provided that such investments do not violate the provisions of the Negative List and the domestic projects in which they invest are genuine and compliant.

Pursuant to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Management to Support the Development of Foreign-Related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), issued by the State Administration of Foreign Exchange on April 10, 2020, and effective as of that date, eligible enterprises that use capital account receipts, such as capital, foreign debt, and proceeds from overseas listings, for domestic payments are not required to provide banks with proof of authenticity on a transaction-by-transaction basis in advance, provided that the use of funds is genuine and compliant and conforms to current regulations on the use of capital account receipts. Relevant banks must conduct spot checks in accordance with relevant regulations.

Pursuant to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning Capital Management for Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), promulgated by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025, and effective as of April 1, 2026, domestic enterprises overseas listing shall apply for overseas listing registration with a bank within the provincial/a city with independent planning status (hereinafter referred to as the "local bank") to apply for overseas listing registration. Funds raised by domestic enterprises through overseas listings should, in principle, be repatriated to the domestic market in a timely manner. If funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending, or other business activities, approval or filing documents from the competent business authorities must be obtained prior to the conclusion of the overseas listing issuance or the completion of the over-allotment, and such activities must comply with relevant cross-border capital management regulations.

This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. The laws and regulations governing taxation within China are discussed separately in "Appendix III — Overview of Taxation and Foreign Exchange" in this document. This Appendix also contains a summary of laws and regulatory provisions of the Company Law of the People's Republic of China. 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 potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

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"), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to partly amend and supplement the laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws. The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of an autonomous region shall take effect upon approval by the standing committee of the people's congress of the relevant province or autonomous region. The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, the National Audit Office and institutions with administrative functions directly under the State Council may formulate rules and regulations within the terms of reference of their respective departments based on the laws and the administrative regulations, decisions and orders of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and annul any autonomous regulations and separate regulations which have been approved by the SCNPC but contravene the Constitution and the Legislation Law. The SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, annul local regulations that contravene the Constitution, laws and administrative regulations, and annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate departmental rules and rules of local governments. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret the laws is vested in 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强法律解釋工作的決議》) passed by the SCNPC on 10 June 1981 and came effective on the same date, issues involving the specific application of laws and decrees in the judicial work of the court shall be interpreted by the Supreme People's Court. Issues involving the specific application of laws and decrees in the procuratorial work of the procuratorate shall be interpreted by the Supreme People's Procuratorate. Issues that do not involve the specific application of laws and decrees in judicial and procuratorial work shall be interpreted by the State Council and the competent departments. If the provisions of local regulations need to be further defined or supplementary provisions need to be made, the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Issues involving the specific application of local regulations shall be interpreted by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organization of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), the people's court is made up of the Supreme People's Court, the local people's courts, and special people's courts. The local people's courts are divided into 3 levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ. The Supreme People's Court shall supervise the judicial administration of the local people's courts at all levels and of the special people's courts; the people's courts at higher levels shall supervise the judicial administration of the people's courts at lower levels.

According to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》), the people's procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the 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 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》) (the "Civil Procedure Law") last amended by the SCNPC on September 1, 2023 and came 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 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 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 people's court by the parties cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the civil litigation rights of citizens and enterprises of the PRC, the PRC court may apply the same limitations to the civil litigation rights of citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or social and public interests of the PRC.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within 2 years, or apply to postpone enforcement or to abrogate the judgment. If, within the prescribed time limit, the party fails to comply with the judgment for which the court has issued an enforcement order, the court may, upon application by the other party, enforce the judgment against that party.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling, or a people's court may request a foreign court to recognize and enforce such judgment or ruling in accordance with the provisions of international treaties to which China is a party or has acceded, or in accordance with the principle of reciprocity. Similarly, should an effective foreign judgment or ruling be recognized and enforced by the people's court in China, the party concerned may apply directly to an intermediate people's court with proper jurisdiction in China for recognition and enforcement of the judgment or ruling, or a foreign court request the people's court to recognize and enforce such judgment or ruling in accordance with the provisions of international treaties concluded or acceded to by that country and China, or according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic principles of the PRC laws, its sovereignty or security, or social and public interests.

THE COMPANY LAW OF THE PEOPLE'S REPUBLIC OF CHINA, TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law"), was adopted by the Standing Committee of the National People's Congress on December 29, 1993, and became effective 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 revision of the Company Law took effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Overseas Listing Trial Measures") and its five interpretative guidelines promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, were applicable to the direct and indirect overseas offering and listing of domestic companies' shares.

According to the Overseas Listing Trial Measures and its interpretative guidelines, a domestic company directly offering and listing overseas 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") which was promulgated and last amended by the CSRC on March 28, 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing 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 established 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.

Companies engaged in business activities must obey the laws and regulations, observe social and business ethics, act in good faith, and accept the supervision of the government and the public. A company may invest in other companies. Where the laws stipulate that a company shall not be a contributor that is jointly and severally liable for the debts of the investee, such stipulation shall be prevail.

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 1 but not more than 200 promoters, and more than half of the promoters shall have residence within the PRC.

The promoters of a joint stock company established by subscription shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up since its incorporation and shall notified each subscribers the date of the meeting or make an announcement in this regard within 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting shares. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the Articles of Association or the agreement of the promoters.

Within 30 days after the conclusion of the inaugural meeting, the Board of Directors shall appoint a representative to apply to the registration authority for registration of the incorporation of the joint stock limited company.

The business license of a company formally established shall be issued by the relevant registration authority, with the date being the date of its establishment.

Share Capital

The issuance of shares shall be conducted in accordance with the principles of fairness and impartiality, and each share of the same class shall carry equal rights. For shares of the same class issued in the same offering, the offering terms and price of each share shall be the same; subscribers shall pay the same price per share for the shares they subscribe to.

Shareholders may contribute capital in the form of currency, or in the form of non-monetary assets such as tangible property, intellectual property rights, land use rights, equity interests, and claims that can be valued in monetary terms and transferred in accordance with the law; provided, however, that this does not include property that is prohibited from being used as capital contributions under laws or administrative regulations. Non-monetary assets contributed as capital shall be appraised, valued, and verified; such assets shall not be overvalued or undervalued. Where laws or administrative regulations contain provisions regarding appraisal and valuation, such provisions shall prevail.

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.

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, more than half of the proceeds from the issuance of the shares shall be included into the registered capital. Furthermore, 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 documents.

Domestic companies offering and listing its securities overseas shall file with the CSRC in accordance with the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic company seeks to offer and list securities overseas directly, the issuer shall file with the CSRC. If a domestic company is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

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) the company makes a resolution at shareholders' meeting to reduce its registered capital; (iii) the 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 by the shareholders' meeting; (iv) the creditors shall have the right to require the 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 the 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 under any of the following circumstances: (i) reducing the registered capital of the company; (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 the company, the right to demand the company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of the listed company.

The purchase of shares of a company by itself for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders' meeting; the purchase of shares of a company by itself 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 shareholders' meeting. Following the purchase of the company's shares by itself in accordance with the above provisions, such shares shall be canceled within 10 days from the date of purchase 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; and the total numbers of share held by the company shall not exceed 10% of the total issued shares of such company, and shall be transferred or canceled within 3 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. A shareholder should affect a transfer of his shares on securities exchange established according to the law or by any other means as required by the State Council. Shares may be transferred by endorsement of shareholders or by other means stipulated by the 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 shall be affected during a period of 20 days prior to the convening of shareholder's meeting or 5 days prior to the benchmark 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 1 year from the date on which the shares of the company are listed and traded on a securities exchange. The directors and senior management of the company should declare to the company the number of shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares of the company transferred each year should not exceed 25% of the shares they hold, and the shares of the company held by them shall not be transferred within 1 year from the date of the listing and trade of the company's share, nor within six months after their resignation from their positions with the company. If the shares are pledged within the time limit for restricted transfer as provided for by the 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, a shareholder enjoy following rights: (i) to receive distribution of dividends and other forms of benefits according to the number of shares held; (ii) to legally require, convene, preside over, participate in or appoint proxies to attend the shareholders' meeting and exercise corresponding voting rights; (iii) to supervise operational activities of the company, provide suggestions or submit queries; (iv) to transfer, grant and pledge the company's shares held by him/her according to the provisions of the laws and administrative regulations; (v) to inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors and financial and accounting reports, eligible shareholders may inspect the accounting books and vouchers of the company; (vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held by him/her upon its termination or liquidation; (vii) to require the company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the company; (viii) other rights conferred by the laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of a shareholder include: (i) to abide by the laws, administrative regulations and the Articles of Association; (ii) to provide share capital according to the shares subscribed for and share participation methods; (iii) not to return shares unless prescribed otherwise in 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) to perform other duties prescribed in laws, administrative regulations and the Articles of Association.

Shareholder's Meetings

Under the Company Law and the Guidelines for Articles of Association, 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 to decide on matters relating to the remuneration of directors; (ii) to examine and approve reports of the Board of Directors; (iii) to examine and approve the company's profit distribution plans and loss recovery plans; (iv) to resolve on the increase or reduction of the company's registered capital; (v) to resolve on the issuance of corporate bonds; (vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the company; (vii) to amend the company's Articles of Association; (viii) to resolve on the appointment or dismissal of the accounting firm which is engaged to audit the company's accounts; (ix) to review and approve the guarantee matters specified in Article 47 of the Articles of Association; (x) to review matters concerning the listing company's purchase or sale of significant assets within 1 year, with the amount of which exceeds 30% of the latest audited total assets of the company; (xi) to review and approve changes in the use of raised funds; (xii) to review equity incentive plans and employee stock ownership plans; (xiii) to review other matters that should be decided by the shareholders' meeting as prescribed by the laws, administrative regulations, departmental rules and the Articles of Association.

Under the Company Law and Guidelines for Articles of Association, shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings are required to be held once every year and must be held within six months after the end of the preceding fiscal year.

An extraordinary shareholders' meeting is required to be held by the company within 2 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 share capital; (iii) when 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 Audit Committee proposes to convene the meeting; (vi) other circumstances as stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

Shareholders' meetings shall be convened by the Board of Directors within the required time. With the consent of a majority of all independent directors, the independent directors have the right to propose to the Board of Directors that an extraordinary shareholders' meeting shall be convened. Upon a proposal from independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within 10 days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

A proposal by the Audit Committee to the Board of Directors to convene an extraordinary shareholders' meeting of shareholders must be submitted to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within ten days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee may unilaterally convene and preside over such meeting.

A proposal by the shareholders individually or collectively holding more than 10% of the company's shares (including preferred stock with restored voting rights, etc.) to request the Board of Directors to convene an extraordinary shareholders' meeting must be submitted to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within ten days of receiving such request, stating whether it agrees or disagrees to convene the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten days of receiving the request, the request from the shareholders individually or collectively holding 10% or more of the company's shares (including preferred stock with restored voting rights, etc.) to propose to the Audit Committee for convening an extraordinary shareholders' meeting must be made to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving such request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of a shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene or preside over the shareholders' meeting, and shareholders who, individually or collectively, have held 10% or more of the company's shares (including preferred stock with restored voting rights, etc.) for a continuous period of 90 days or more may unilaterally convene and preside over such meeting.

Directors

Pursuant to the Company Law and the Guidelines for Articles of Association, a joint stock limited company should have a Board of Directors, which consists of more than 3 members, and its members may include employee representatives from the company. Companies with 300 or more employees shall include employee representatives among the members of their board of directors. Employee representatives on the Board of Directors shall be democratically elected by the company's employees through a congress of the staff, a general membership meeting, or other means.

The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed 3 years. Directors may serve consecutive terms if re-elected.

Directors may concurrently hold senior management positions, provided that the total number of Directors serving as senior management and Directors serving as employee representatives shall not exceed one-half of the total number of the Company's Directors.

Meetings of the Board of Directors shall be convened by the Chairman at least twice a year, and all directors shall be noticed 10 days before the meeting being convened in writing.

The Board of Directors exercises the following functions and powers: (i) to convene shareholder's meetings and report its work to the shareholder's meetings; (ii) to implement the resolutions of the shareholder's 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 plans for increasing or decreasing the company's registered capital, issuing bonds or other securities, and listing of shares; (vi) to formulate plans for major acquisitions, the repurchase of the company's own shares, or mergers, demergers, dissolution, or changes in legal form of the company; (vii) to decide on matters such as the Company's external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, connected transactions, and external donations, within the scope of authority granted by the shareholders' meeting; (viii) to decide on the establishment of the company's internal management bodies; (ix) to decide on the appointment or dismissal of the company's manager, board secretary, and other senior executives, and determine their remuneration and disciplinary matters; based on the nomination of the manager, to decide on the appointment or dismissal of senior management such as the company's deputy managers and the chief financial officer, and determine their remuneration and disciplinary matters; (x) to formulate a company's basic management system; (xi) to formulate proposals for amending the Articles of Association; (xii) to manage the Company's information disclosure matters; (xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm serving as the Company's auditor; (xiv) to listen to the work reports of the company's manager and review the company's manager's performance; (xv) other duties stipulated by the laws, administrative regulations, departmental rules, the Articles of Association, or as authorized by the shareholders' meeting.

The Board of Directors shall define the authority regarding external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

If a director has a related relationship with an enterprise involved in a matter under consideration at a Board of Directors meeting, he/she shall promptly report the matter to the Board of Directors in writing. A director with a related-party relationship shall not exercise voting rights on that resolution nor act as a proxy for another director to exercise voting rights. Such a Board of Directors meeting can be held if a majority of the unrelated directors are present, and resolutions adopted at such meeting must be approved by a majority of the unrelated directors. If the number of unrelated directors present at a Board of Directors meeting is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.

Pursuant to the Company Law and the Guidelines for Articles of Association, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity for civil conduct; (ii) a person who was sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or was deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence, or if he/she is pronounced for suspension of sentence, a 2-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 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was the legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the law, and who was personally liable, where less than 3 years have elapsed since the date of the revocation of the business license or the order for closure of the company or enterprise; (v) a person who was listed by a people's court as a "discredited judgment debtor" due to failure to repay a relatively substantial debt upon maturity; (vi) a person who was subject to a securities market ban by the CSRC, and the term of the ban has not yet expired; (vii) a person who was publicly determined by a securities exchange to be unsuitable to serve as a director or senior executive of a listed company, and the period of such determination has not yet expired; (viii) other matters prescribed by the laws, administrative regulations, or departmental rules.

The Board of Directors shall have a chairman and may have a vice chairman, both of whom shall be elected by more than half of the directors.

Pursuant to the Company Law, a joint stock limited company may, in accordance with its Articles of Association, establish an audit committee composed of directors within the Board of Directors to exercise the powers of the supervisory board as prescribed by this Law, and may choose not to establish a supervisory board or appoint supervisors.

The Audit Committee shall consist of three or more members who are directors but do not serve as senior management of the company, a majority of whom shall be independent directors. Employee representatives on the Board of Directors may serve as members of the audit committee.

The Audit Committee is responsible for reviewing the company's financial information and its disclosure, as well as supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after obtaining the approval of a majority of all members of the Audit Committee: (i) the disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports; (ii) the engagement or dismissal of the accounting firm responsible for auditing the listed company; (iii) the appointment or dismissal of the listed company's chief financial officer; (iv) changes to accounting policies or accounting estimates, or corrections of material accounting errors, for reasons other than changes in accounting standards; (v) other matters prescribed by the laws, administrative regulations, CSRC regulations, and the Articles of Association.

The Audit Committee shall convene a meeting at least once every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary.

A meeting of the Audit Committee may be held only if attended by more than two-thirds of its members. Resolutions of the Audit Committee shall be adopted by a majority vote of its members.

Senior Management

Pursuant to the Company Law, a company should have a manager who is appointed or removed by the Board of Directors. A company should have a deputy manager who is appointed or removed by the Board of Directors. The manager is responsible to the Board of Directors and exercises following functions and powers: (i) to be in charge of the company's production and operational management, organize the implementation of the resolutions of the Board of Directors, and report his/her work to the Board of Directors; (ii) to organize and implement the company's annual business plans and investment programmes; (iii) to draft plans for the establishment of the company's internal management organization; (iv) to draft the company's basic management system; (v) to formulate the specific rules and regulations of the company; (vi) to submit proposals to the Board of Directors for the appointment or removal of the deputy manager and the chief financial officer; (vii) to decide on the appointment or removal of management personnel other than those required to be appointed or dismissed by the Board of Directors; (viii) other functions and powers granted by the Articles of Association or the Board of Directors. The manager shall attend the meetings of the Board of Directors.

Under the Company Law, senior management refers to the company's manager, deputy manager, chief financial officer, board secretary, and other individuals specified in the Articles of Association.

Duties of Directors and Senior Management

Pursuant to the Company Law and the Guidelines for Articles of Association, directors and senior management should comply with the laws, regulations and the Articles of Association, and have following duties of fiduciary to the company: (i) not be allowed to embezzle the company's property or misappropriating of the company's capital; (ii) not be allowed to deposit the company's capital into accounts under his/her own name or the name of other individuals; (iii) not be allowed to give bribes or accept any other illegal proceeds by taking advantage of his/her powers; (iv) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association, not be allowed to directly or indirectly enter into contracts or conduct transactions with the company; (v) not be allowed to secure business opportunities belonging to the company for himself/herself or others by taking advantage of his/her position, except where such actions have been reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the company is prohibited from utilizing such business opportunities pursuant to the laws, administrative regulations, or the Articles of Association; (vi) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by a resolution of the shareholders' meeting, not be allowed to engage in, or operate on behalf of others, businesses similar to those of the company; (vii) not be allowed to accept commissions from transactions between others and the company for his/her personal gain; (viii) not be allowed to arbitrarily divulge the company's secrets; (vi) not be allowed to use their affiliated relationships to harm the company's interests; (x) other duties of fiduciary prescribed by the laws, administrative regulations, departmental rules, and the Articles of Association.

The duties of care owed by directors and senior management to the company include the following: (i) to exercise the rights granted by the company with prudence, diligence, and care to ensure that the company's business conducts comply with national laws, administrative regulations, and economic policies, and that its business activities do not exceed the scope of business specified in its business license; (ii) to treat all shareholders fairly; (iii) to keep abreast of the company's business operations and management in a timely manner; (iv) to sign written confirmation statements for the company's periodic reports to ensure that the information disclosed by the company is true, accurate, and complete; (v) to provide relevant information and materials to the Audit Committee truthfully and not to obstruct the Audit Committee from exercising its powers; (vi) other duties of care prescribed by the laws, administrative regulations, departmental rules, and the Articles of Association.

Finance and Accounting Systems

Pursuant to the Company Law, a company shall establish its financial and accounting systems according to the laws, administrative regulations and the regulations of relevant competent departments in PRC.

The company shall submit and disclose its annual report to the local offices of the CSRC and the stock exchange within four months of the end of each fiscal year, and shall submit and disclose its interim report to the local offices of the CSRC and the stock exchange within two months of the end of the first half of each fiscal year. The aforementioned annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations, and the provisions of the CSRC and the stock exchange.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital.

If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for such losses before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders' meeting.

The company may distribute after-tax profits remaining after making up losses and making an allocation to the statutory reserve fund, in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association.

If a shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the law to the company; if such actions cause losses to the company, the shareholders and the directors and senior management members who are responsible shall be liable for compensation.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used; if losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the company before such conversion.

Appointment and Dismissal of Accounting Firms

The company engages an accounting firm that meets the requirements of the Securities Law of the People's Republic of China to perform audits of financial statements, verification of net assets, and other related consulting services. The engagement term is one year and may be renewed.

The engagement or dismissal of an accounting firm shall be determined by a shareholders' meeting. The accounting firm should be allowed to make representations when the shareholders' meeting or the Board of Directors conduct a vote on the dismissal of the accounting firm.

The Company Law and the Guidelines for Articles of Association provides that, the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report.

The audit fee of the accounting firm shall be decided by the shareholders' meeting.

Dissolution and Liquidation

A company shall be dissolved for the following reasons: (i) the term of business operation expires as specified by the Articles of Association or other matters leading to dissolution occur as specified by the Articles of Association; (ii) the shareholders' meeting resolves to dissolve the company; (iii) dissolution is necessary as a result of the merger or division of the company; (iv) the company's business license is revoked or it is ordered to close down or it is deregistered according to laws; (v) serious difficulties arise in the operation and management of the company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of voting rights of the company may petition a people's court to dissolve the company.

If the company is dissolved due to the grounds specified in items (i) or (ii) in the preceding paragraph, and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or by resolution of the shareholders' meeting.

If the company is dissolved due to the grounds specified items (i), (ii), (iv), or (v) in the preceding paragraph, liquidation shall be carried out, with the directors being liquidation obligors who shall establish a liquidation group to conduct the liquidation within 15 days from the date the grounds for dissolution arise. The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or the shareholders' meeting resolves to appoint other persons. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and thereby cause losses to the company or its creditors, they shall bear liability for compensation.

The liquidation group shall notify the creditors within ten days after its formation, and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days after the receipt of the notice or within 45 days after the issuance of the public announcement in the case of failing to receive such notice. When filing a claim, a creditor shall provide details regarding the claim and submit supporting documentation. The liquidation committee shall register the claim. During the claim filing period, the liquidation group shall not make any payments to creditors.

After the company's assets have been used to pay liquidation expenses, employees' wages, social insurance contributions, and statutory compensation, all taxes owed and the company's debts, any remaining assets shall be distributed as follows: in a limited liability company, such assets shall be distributed in proportion to the shareholders' capital contributions; in a joint stock limited company, such assets shall be distributed in proportion to the shares held by the shareholders. During the liquidation period, the company shall continue to exist but may not engage in business activities unrelated to the liquidation. The company's assets may not be distributed to shareholders before the obligations specified in the preceding paragraph have been fulfilled.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared a balance sheet and an inventory of properties, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to a people's court for bankruptcy liquidation.

If a company is legally declared bankrupt, it shall undergo bankruptcy liquidation in accordance with the relevant laws on corporate bankruptcy.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, or issue and list shares on other overseas markets following an overseas issuance and listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement such materials within 30 working days.

Loss of Stock Certificates

If a shareholder's registered stock certificates are stolen, lost, or destroyed, the shareholder may apply to a people's court with jurisdiction to declare such stock certificates invalid in accordance with the public notice procedure prescribed by the Civil Procedure Law. After the people's court declares such stock certificates invalid, the shareholder may apply to the company for the issuance of replacement stock certificates.

Termination of Listing

Pursuant to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law") was promulgated by the Standing Committee of the National People's Congress on August 31, 1994, last amended on September 12, 2025 and came into effect on March 1, 2026. The Arbitration Law is applicable to (including, but not limited to) foreign-related economic disputes, in which all parties have entered into a written agreement to submit the matters for arbitration to an arbitration body (such as an arbitration commission) constituted in accordance with the Arbitration Law. An arbitration body may formulate interim arbitration rules in accordance with the relevant regulations of the Arbitration Law and the Civil Procedure Law, with reference to the model arbitration regulations promulgated by the PRC Arbitration Association. Where the parties have agreed to settle disputes by means of arbitration, the people's court will not handle the lawsuit filed by a party in the people's court, except where the arbitration agreement is invalid or otherwise provided by law.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an arbitral award, the other party may apply to the people's court for enforcement according. If there are procedural irregularities (including, but not limited to, the composition of the arbitral tribunal or the arbitration procedures are not in compliance with the arbitration rules, lack of jurisdiction on the part of the arbitral tribunal, or an award was rendered on matters beyond the scope of the arbitration agreement), a people's court may, after verification by a collegial panel, rule not to enforce the arbitral award rendered by the arbitral tribunal. If either party needs to enforce an award rendered by a PRC foreign affairs arbitration agency outside of China, it shall apply to a competent foreign court for recognition and enforcement of the award. A people's court can recognize and enforce the arbitration awards rendered by foreign arbitral tribunals, pursuant to the principle of reciprocity, or in accordance with international treaties concluded or acceded to by the People's Republic of China.

Judicial Decisions and Enforcement

The Arrangement of the Supreme People's Court 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 (《最高人民法院關於內地與香港特別行政區相互認可和執行民商事案件判決的安排》), which was promulgated by the Supreme People's Court on January 25, 2024 and came into effect on January 29, 2024, applies to the mutual recognition and enforcement of final and binding judgments in civil and commercial matters by the courts of Hong Kong and the Mainland. With regard to judgments ordering the transfer of property interests, the scope of mutual recognition and enforcement includes both monetary and non-monetary judgments. The scope of property interests transferred subject to mutual recognition and enforcement by the courts of the Mainland and the Hong Kong Special Administrative Region includes transfer of property interests specified in the judgment, as well as corresponding interest, litigation costs, penalties for delay, and interest on delayed performance, but does not include taxes or fines.

Set out herein is a summary of the Articles of Association of the Company for the main purpose of providing an overview of the Articles of Association to potential investors. As the information contained below is only a summary, it may not contain any and all the information that may be important to potential investors. Pursuant to applicable laws and regulations (including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines on Articles of Association, and the Hong Kong Listing Rules), the Articles of Association and amendments thereto must be adopted or approved at a shareholders' meeting and shall take effect upon [REDACTED].

SHARES

Share Issuance

The Company's shares are in the form of share certificates.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Any entity or individual subscribing to the shares shall pay the same price for each share.

Shares issued by the Company are denominated in RMB, with a par value of RMB1 per share. Shares issued by the Company and listed on the Shenzhen Stock Exchange are hereinafter referred to as "A Share(s)"; shares [REDACTED] by the Company and [REDACTED] on the Hong Kong Stock Exchange are hereinafter referred to as "H Share(s)".

Increase, Reduction and Repurchase of Shares

In light of the needs of its operations and development, and in accordance with the laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, the Company may increase its capital through the following methods, upon resolution by the shareholders' meeting: (i) a public offering of shares; (ii) a private placement of shares; (iii) allotment of bonus shares to existing shareholders; (iv) conversion of reserve funds to share capital; (v) other methods permitted by the laws, administrative regulations, the CSRC, and the securities regulatory rules of the place where the Company's shares are listed.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law, the Hong Kong Listing Rules, other relevant regulations, as well as the Articles of Association.

The Company should not acquire its own shares, however, except for any of the following circumstances: (i) to reduce the registered capital of the Company; (ii) to merge with other companies that hold shares of the Company; (iii) to use the shares for employee shareholding schemes or as share incentives; (iv) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meeting on the merger or division of the Company; (v) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company; (vi) to safeguard corporate value and shareholders' equity as the Company deems necessary.

Transfer of Shares

The shares of the Company may be transferred in accordance with the law. All transfers of H Shares shall be effected by a written instrument of transfer in the usual or standard form or in any other form acceptable to the Board (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may only be executed by hand or by affixing the valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (as defined in the relevant regulations in force from time to time under the laws of Hong Kong) or its agent, the instrument of transfer may be executed by handwritten signature or by machine-printed signature. All instruments of transfer shall be deposited at the Company's registered office or at such other address as the Board may from time to time designate.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall, on the basis of the certificates provided by the securities registration authority of the place where the Company's shares are listed, establish a register of members, which is sufficient evidence of the shareholders' shareholding in the Company. The original copy of the H Share register of members shall be kept in Hong Kong for inspection by shareholders; the appointed overseas agent shall ensure that the original and duplicate copies of the register of shareholders of the overseas-listed shares remain consistent at all times. The Hong Kong branch of the register must be available for inspection by shareholders; however, the Company may suspend the processing of shareholder registration procedures in accordance with applicable laws and regulations and securities regulatory rules of the jurisdiction where the Company's shares are listed. Any shareholder registered in the register of members, or any person requesting to have their name (or corporate name) registered in the register of members, may apply to the Company for the issuance of a replacement share certificate if their share certificate is lost. If a shareholder of domestic shares loses his/her share certificates and applies for a replacement, the matter shall be handled in accordance with the relevant provisions of the Company Law. If a shareholder of overseas-listed foreign shares loses his/her shares and applies for a replacement, the matter may be handled in accordance with the laws and regulations of the location where the original register of members of overseas-listed foreign shares is kept, the securities regulatory rules of the place where the Company's shares are listed, or other relevant provisions.

A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class of shares he/she holds. Shareholders holding the same class of shares shall have the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights: (i) to receive dividends and other forms of benefit distribution in proportion to the number of shares held; (ii) to legally apply for, convene, preside over, attend, or appoint a proxy to attend shareholders' meetings, and exercise the right to speak and the corresponding voting rights; (iii) to supervise, present proposals or raise enquiries in respect of the Company's business operations; (iv) to transfer, gift, or pledge the shares held in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association; (v) to inspect and copy the Articles of Association, shareholder register, minutes of shareholders' meetings, resolutions of the Board of Directors, and financial accounting reports; shareholders who meet the prescribed requirements may inspect the Company's accounting books and accounting vouchers; (vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held; (vii) to request the Company to repurchase the shares of shareholders who object to resolutions of the shareholders' meeting regarding the merger or division of the Company; (viii) other rights prescribed 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 Articles of Association, resolutions of the shareholders' meeting, or resolutions of the Board of Directors shall comply with laws and regulations and shall not deprive or restrict the statutory rights of shareholders. The Company shall safeguard the lawful rights of shareholders and ensure they are treated fairly.

Where shareholders request to inspect or copy the Company's relevant materials, such requests shall comply with the provisions of laws such as the Company Law and the Securities Law, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed.

If the content of resolutions adopted by the Company's shareholders' meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to petition a people's court to declare such resolutions invalid.

Controlling shareholders and actual controllers of the Company shall not restrict or obstruct small and medium-sized investors from exercising their voting rights in accordance with the law, nor shall they harm the lawful rights and interests of the Company and small and medium-sized investors.

If the procedures for convening meetings or the methods of voting of the shareholders' meeting or the Board of Directors violate the laws, administrative regulations, or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right to request a people's court to revoke such resolution within sixty days from the date of its adoption. However, this does not apply such case where the procedures for convening a meeting or the voting methods of the shareholders' meeting or the Board of Directors contain only minor defects that do not substantially affect the resolution.

Where the Board of Directors, shareholders, or other relevant parties dispute the validity of a resolution of the shareholders' meeting, they shall promptly file a lawsuit with a people's court. Prior to the people's court rendering a judgment or ruling, the relevant parties shall implement the resolution of the shareholders' meeting. The Company, directors, and senior management shall faithfully perform their duties to ensure the normal operation of the Company.

Where a people's court renders a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the rules of the CSRC and the securities regulatory rules of the place where the Company's shares are listed, fully explain the implications, and actively cooperate with enforcement after the judgment or ruling takes effect. Where the matter involves rectifying prior actions, the Company shall promptly address the issue and fulfill the corresponding information disclosure obligations.

Shareholders of the Company shall have the following obligations: (i) to comply with 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 for their shares based on the number of shares subscribed and the method of subscription; (iii) except as provided by laws and regulations, not to withdraw their capital contribution; (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 person or the limited liability of shareholders to harm the interests of the Company's creditors; if a shareholder of the Company abuses shareholder rights and causes losses to the Company or other shareholders, he or she shall bear compensation liability in accordance with the laws; if a shareholder of the Company abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors, he or she shall be jointly and severally liable for the Company's debts; (v) other obligations prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Shareholders' Meeting

The shareholders' meeting is the power organ of the Company, composed of all shareholders, and exercises the following functions and powers in accordance with the law: (i) to elect and remove directors who are not employee representatives, and determine matters concerning relevant directors' compensation; (ii) to review and approve the reports of the Board of Directors; (iii) to review and approve the Company's profit distribution plan and loss recovery plan; (iv) to resolve on increasing or decreasing the Company's registered capital; (v) to resolve on the Company's issuance of bonds; (vi) to resolve on the Company's merger, division, dissolution, liquidation, or change in corporate form; (vii) to amend the Articles of Association; (viii) to make resolutions on the engagement or dismissal of the accounting firm responsible for auditing the Company; (ix) to review and approve matters related to guarantees, external financial assistance, securities investments, and entrusted asset management as provided for in Article 45 of the Articles of Association; (x) to review and approve the transactions specified in Article 46 of the Articles of Association; (xi) to review matters concerning the Company's purchase or sale of significant assets within 1 year, and with the amount of which exceeds 30% of the latest audited total assets of the Company; (xii) to review and approve loans exceeding 50% of the Company's total assets as audited in the previous fiscal year, as well as related asset mortgages and pledges; (xiii) to review and approve changes in the use of raised funds; (xiv) to review equity incentive plans and employee stock ownership plans; (xv) the Company's annual shareholders' meeting may authorize the Board of Directors to issue shares to specific parties with a total financing amount not exceeding RMB300 million and not exceeding 20% of the Company's net assets as of the end of the most recent fiscal year, and such authorization shall expire on the date of the next annual shareholders' meeting; (xvi) to review other matters that should be decided by the shareholders' meeting as prescribed by the laws, administrative regulations, securities regulatory rules (including, but not limited to, Chapters 14 and 14A of the Hong Kong Listing Rules) of the place where the Company's shares are listed, or the Articles of Association.

Unless otherwise provided by the laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, the powers of the aforementioned shareholders' meeting may not be exercised by the Board of Directors or any other body or individual by way of delegation.

Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once per fiscal year and must be held within six months after the end of the preceding 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 statutory minimum required by the Company Law, or is less than two-thirds of the number specified in the Articles of Association; (ii) the losses of the Company that have not been made up reach one-third of the total paid share capital; (iii) when a shareholder holding, individually or collectively, more than 10% of the Company's voting rights (excluding proxy voting rights; the same applies below) submits a request; (iv) when the Board of Directors deems it necessary; (v) when the Audit Committee proposes to convene such a meeting; (vi) when an independent director proposes to convene such a meeting which is approved by a majority of all directors; (vii) other circumstances as prescribed 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 number of shares referred to in item (iii) above shall be calculated as of the date when the shareholder submits a written request.

If the extraordinary general meeting is convened in accordance with the securities regulatory rules of the place where the Company's shares are listed, the actual date of the meeting may be adjusted based on the approval process of the securities regulatory authority in the place where the Company's shares are listed.

Convening of Shareholders' Meetings

The Board of Directors shall convene a shareholders' meeting within the prescribed time limit.

With the consent of a majority of all independent directors, the independent directors have the right to propose to the Board of Directors that an extraordinary shareholders' meeting shall be convened. Upon receiving a proposal from independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the 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, provide a written feedback within 10 days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening of the shareholders' meeting within five days after the Board resolution is adopted; if the Board of Directors disagrees to convene an extraordinary general meeting, it shall state the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors the convening of an extraordinary general meeting and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the 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, provide a written feedback within ten days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening of the shareholders' meeting within five days after the Board resolution is adopted; any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee may unilaterally convene and preside over such meeting.

A proposal by the shareholders individually or collectively holding more than 10% of the Company's shares to request the Board of Directors to convene an extraordinary shareholders' meeting must be submitted to the Board of Directors in writing. The Board of Directors shall, in accordance with the 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, provide a written feedback within ten days of receiving such request, stating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten days of receiving the request, the request from the shareholders individually or collectively holding 10% or more of the Company's shares to propose to the Audit Committee for convening an extraordinary shareholders' meeting must be made to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening of the shareholders' meeting within five days of receiving such request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of a shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene or preside over the shareholders' meeting, and shareholders who, individually or collectively, have held more than 10% of shares for a continuous period of more than 90 days may unilaterally convene and preside over such meeting.

If the Audit Committee or any shareholder decides to unilaterally convene a shareholders' meeting, it or he/she must notify the Board of Directors in writing and file a report with the Shenzhen Stock Exchange at the same time.

Prior to the announcement of the shareholders' meeting resolutions, the shareholding ratio of the convening shareholder shall not be less than 10%.

The Audit Committee or the convener of the shareholders' meeting shall submit the relevant supporting documents to the Shenzhen Stock Exchange upon issuing the notice of the shareholders' meeting and the announcement of the resolution of the shareholders' meeting.

The Board of Directors and the board secretary shall cooperate with shareholders' meetings convened by the Audit Committee or individual shareholders. The Board of Directors shall provide the shareholder register as of the record date. If the Board of Directors fails to provide the shareholder register, the convener may apply to the securities registration and clearing institution for a copy by presenting the relevant announcement regarding the notice of convening of the shareholders' meeting. The shareholder register obtained by the convener shall not be used for any purpose other than convening the shareholders' meeting.

For shareholders' meetings unilaterally convened by the Audit Committee or individual shareholders, the Company shall bear the necessary expenses of the meeting.

Proposals and Notices of Shareholders' Meeting

The contents of proposals shall fall within the authority of shareholders' meetings, have a clear topic and specific resolution, and be in compliance with the relevant 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.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee, and any shareholder holding, individually or collectively, 1% or more of the Company's shares shall be entitled to put forward proposals to the Company.

Any shareholders holding, individually or collectively, 1% or more of the Company's shares may submit interim proposals in writing to the convener no later than 10 days (not including the day on which the meeting is held when calculating the starting date of a period; the same applies hereinafter) prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting which announces the content of the interim proposals within two days after receipt of such proposals and submit the interim proposals to the shareholders' meeting for consideration; however, except that this shall not apply if the interim proposals violate the provisions under the laws, administrative regulations, or the Articles of Association, or falls outside the scope of the shareholders' meeting's authority.

Except as provided in the preceding paragraph, the convener, after issuing the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meetings nor add new proposals.

The resolutions regarding proposals that are not listed in the notice of the shareholders' meeting or that do not comply with the provisions of the Articles of Association should not be voted on or adopted at the shareholders' meeting.

The convener shall issue an announcement 21 days prior to the convening of the annual shareholders' meeting to notify every shareholder or 15 days prior to the convening of the extraordinary shareholders' meeting to notify every shareholder. If, pursuant to the securities regulatory rules of the place where the Company's shares are listed, a shareholders' meeting must be postponed due to the issuance of a supplementary notice, the meeting shall be postponed in accordance with the provisions of those rules.

Holding of Shareholders' Meetings

The Company's Board of Directors and other conveners will take necessary measures to ensure the orderly conduct of the shareholders' meeting. Any acts that disrupt the shareholders' meeting, cause disturbances, or infringe upon the lawful rights and interests of shareholders will be stopped, and will be promptly reported to the relevant authorities for investigation and handling.

All ordinary shareholders on the register of members on the equity record date, shareholders holding shares with special voting rights, and other shareholders or their proxies shall have the right to attend shareholders' meetings, and speak and exercise voting rights at shareholders' meetings in accordance with relevant laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, unless an individual shareholder is required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on specific matters.

Shareholders may attend a shareholders' meeting in person and may appoint a proxy to attend and vote on their behalf.

Individual shareholders attending in person shall present their identity cards or other valid identification documents or proof of identity; those attending on behalf of others shall present their own valid identification documents and a written proxy from the shareholder.

Corporate shareholders shall be represented at the meeting by their legal representative or an agent authorized by the legal representative. If the legal representative attends the meeting, he or she shall present his or her identity card and valid proof of his or her status as legal representative; if an agent attends the meeting, the agent shall present his or her own identification card and a written power of attorney issued by the legal representative of the corporate shareholder in accordance with the law, except where the shareholder is a recognized clearing house (or its agent) as defined by the relevant laws and regulations from time to time in Hong Kong and rules or the securities regulatory rules of the place where the Company's shares are listed.

Minutes shall be kept of every shareholders' meeting, and the board secretary shall be responsible for this. The minutes shall include the following: (i) the time, place, agenda, and name of the convener of the meeting; (ii) the name of the chairperson of the meeting and the names of directors and senior management in attendance; (iii) the number of shareholders and proxies present, the total number of shares with voting rights held by them, and the percentage of the Company's total shares represented; (iv) the deliberation process, key points of discussion, and voting results for each proposal; (v) questions, comments, or suggestions raised by shareholders, along with the corresponding responses or explanations; (vi) the names of the legal counsel, vote counters, and scrutineers; (vii) any other matters required to be included in the minutes pursuant to the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

Voting and Resolutions of Shareholders' Meeting

Resolutions of the shareholders' meeting are classified as ordinary resolutions and special resolutions. Ordinary resolution at a shareholders' meeting shall be adopted by shareholders in attendance holding more than half of the voting rights. Special resolutions at a shareholders' meeting shall be adopted by shareholders in attendance holding at least two-thirds of the voting rights.

The following matters shall be approved by ordinary resolution at a shareholders' meeting: (i) the Board of Directors' work report; (ii) the profit distribution plan and loss recovery plan proposed by the Board of Directors; (iii) the appointment and removal of members of the Board of Directors, as well as their remuneration and payment methods; and (iv) any other matters than those required to be approved by a special resolution as stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The following matters shall be adopted by special resolution at a shareholders' meeting: (i) the increase or reduction of the registered capital by the Company; (ii) the division, spin-off, merger, dissolution and liquidation of the Company; (iii) the amendment to the Articles of Association; (iv) the purchase or the sale of major assets by the Company within one year, or the guarantee provided to others, amount of which exceeds 30% of the latest audited total assets of the Company; (v) the share incentive schemes; (vi) other matters that are stipulated by the laws, administrative regulations, securities regulatory rules of the place where the Company is listed, or the Articles of Association, that would have a significant impact on the Company and are recognized as requiring adoption by a special resolution.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions for Directors

The Company's directors are natural persons, who may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity for civil conduct; (ii) a person who was sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or was deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence, or if he/she is pronounced for suspension of sentence, a 2-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 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was the legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the law, and who was personally liable, where less than 3 years have elapsed since the date of the revocation of the business license or the order for closure of the company or enterprise; (v) a person who was listed by a people's court as a "discredited judgment debtor" due to failure to repay a relatively substantial debt upon maturity; (vi) a person who was subject to a securities market ban by the CSRC or the Hong Kong Stock Exchange, and the term of the ban has not yet expired; (vii) a person who was publicly determined by the securities regulatory authority in the place where the Company's shares are listed to be unsuitable to serve as a director or senior executive of a listed company, and the period of such determination has not yet expired; (viii) other matters prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or departmental rules. Any election or appointment of a director in violation of this provision shall be invalid. If a director falls under any of the circumstances described in this provision during his or her term of office, the Company shall remove him or her from office and suspend his or her duties.

Directors should comply with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and have duties of fiduciary to the Company. Directors must take measures to avoid conflicts of interest between their own interests and those of the company, and must not use their positions to seek improper benefits.

Directors have following duties of fiduciary to the Company: (i) not be allowed to embezzle the Company's property or misappropriating of the Company's capital; (ii) not be allowed to deposit the Company's capital into accounts under his/her own name or the name of other individuals; (iii) not be allowed to give bribes or accept any other illegal proceeds by taking advantage of his/her powers; (iv) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association, not be allowed to directly or indirectly enter into contracts or conduct transactions with the Company; (v) not be allowed to secure business opportunities belonging to the Company for himself/herself or others by taking advantage of his/her position, except where such actions have been reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the Company is prohibited from utilizing such business opportunities pursuant to the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association; (vi) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by a resolution of the shareholders' meeting, not be allowed to engage in, or operate on behalf of others, businesses similar to those of the Company; (vii) not be allowed to accept commissions from transactions between others and the Company for his/her personal gain; (viii) not be allowed to arbitrarily divulge the Company's secrets; (ix) not be allowed to use their affiliated relationships to harm the Company's interests; (x) other duties of fiduciary prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, departmental rules, and the Articles of Association. Any income obtained by a director in violation of this provision shall belong to the Company; if such violation causes loss to the Company, the director shall be liable for compensation.

Directors shall comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, and have following duties of care to the Company. Directors shall exercise the reasonable care ordinarily expected of a manager in the best interests of the Company in performing their duties.

Directors have following duties of care to the Company: (i) to exercise the rights granted by the Company with prudence, diligence, and care to ensure that the Company's business conducts comply with the provisions of national laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, departmental rules, and economic national policies, and that its business activities do not exceed the scope of business specified in its business license; (ii) to treat all shareholders fairly; (iii) to keep abreast of the Company's business operations and management in a timely manner; (iv) to sign written confirmation statements for the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate, and complete; (v) to provide relevant information and materials to the Audit Committee truthfully and not to obstruct the Audit Committee from exercising its powers; (vi) in principle, directors shall attend Board meetings in person, act with due diligence and reasonable care, and express clear opinions on the matters under discussion; if being unable to attend a Board meeting in person for any reason, they shall prudently select another director to attend the meeting as their proxy; (vii) carefully review the Company's various business and financial reports, as well as media coverage regarding the Company, to promptly understand and continuously monitor the status of the Company's business operations and management, as well as any material events that have occurred or may occur and their impact; promptly report any issues arising in the Company's business operations to the Board of Directors; and shall not shirk responsibility on the grounds of not being directly involved in management or being unaware of such issues or circumstances; (viii)other duties of care prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, departmental rules, and the Articles of Association.

Board of Directors

The Company shall establish the Board of Directors, which shall consist of 6 directors, including 3 independent directors and 1 employee director who is elected or replaced through a democratic process by the Company's employee representative assembly.

The Board of Directors shall exercise the following functions and powers: (i) to convene shareholders' meetings and report on its work at the shareholders' meeting; (ii) to implement resolutions of the shareholders' meeting; (iii) to decide on the Company's business plans and investment proposals; (iv) to formulate the Company's profit distribution plan and loss recovery plan; (v) to formulate plans for increasing or decreasing the Company's registered capital, issuing bonds or other securities, and listing of shares; (vi) to formulate plans for major acquisitions, the repurchase of the Company's own shares, or mergers, demergers, dissolution, or changes in legal form of the Company; (vii) to decide on matters such as the Company's external investments, acquisitions and disposals of assets, asset pledges, external guarantee, entrusted asset management, external financial assistance, securities investments, connected transactions, borrowings, and external donations within the scope of authority granted by the shareholders' meeting; (viii) to decide on the establishment of the Company's internal management bodies; (ix) to appoint or remove the Company's President and board secretary; based on the President 's nomination, appoint or dismiss senior management such as the Company's Vice President and the chief financial officer, and determine their remuneration and disciplinary matters; (x) to formulate the Company's basic management systems; (xi) to formulate proposals for amending the Articles of Association; (xii) to manage matters related to the Company's disclosure of information; (xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm serving as the Company's auditor; (xiv) to submit other proposals to the shareholders' meeting; (xv) to solicit proxies from shareholders prior to the convening of the shareholders' meeting; (xvi) to nominate candidates for non-employee directors; (xvii) to listen to the work reports of the Company's President and review the Company's President's performance; (xviii) other powers granted by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, departmental rules, the Articles of Association, or the shareholders' meeting. Matters that exceed the scope of the shareholders' meeting's authorization shall be submitted to the shareholders' meeting for consideration.

The Chairman shall exercise the following powers: (i) to preside over shareholders' meetings and convene and preside over meetings of the Board of Directors; (ii) to supervise and review the implementation of meetings of the Board of Directors; (iii) to sign the Company's shares and other securities; (iv) to sign the Company's important documents and other documents that must be signed by the Company's legal representative; (v) to nominate candidates for the positions of President and Board Secretary of the Company; (vi) to exercise the powers of the legal representative; (vii) in emergency situations arising from force majeure events such as major natural disasters, to exercise special powers of disposal regarding Company affairs in accordance with the law and in the best interests of the Company, and report to the Board of Directors and the shareholders' meeting thereafter; (viii) other powers granted by the Articles of Association and the Board of Directors.

Independent Directors

As members of the Board of Directors, independent directors owe a duty of loyalty and a duty of care to the Company and all shareholders, and shall prudently perform the following duties: (i) participate in Board decision-making and express clear opinions on matters under discussion; (ii) monitor potential material conflicts of interest between the Company and its controlling shareholders, actual controllers, directors, and senior management, and protect the lawful rights and interests of minority shareholders; (iii) provide professional and objective advice on the Company's business operations and development to enhance the quality of the Board's decision-making; (iv) perform other duties as prescribed by laws, administrative regulations, the CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Independent Directors shall exercise the following special powers: (i) independently engage intermediary institutions to conduct audits, provide consultations, or perform verifications on specific matters of the Company; (ii) propose to the Board of Directors the convening of an extraordinary general meeting of shareholders; (iii) propose the convening of a Board of Directors meeting; (iv) solicit shareholder rights from shareholders in accordance with the law; (v) to express independent opinions on matters that may harm the interests of the Company or minority shareholders; (vi) other powers as prescribed by laws, administrative regulations, CSRC regulations, securities regulatory rules of the jurisdiction where the Company's shares are listed, and the Articles of Association. When independent directors exercise the powers listed in subparagraphs (i) through (iii) of the preceding paragraph, such exercise shall be subject to the approval of a majority of all independent directors.

If the aforementioned powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Special Committees of the Board of Directors

The Board of Directors shall establish four special committees, namely the Strategy Committee, the Remuneration and Appraisal Committee, the Audit Committee, and the Nomination Committee. These committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals from the special committees shall be submitted to the Board of Directors for deliberation and decision. The Board of Directors is responsible for formulating the operating procedures of the Special Committees. All members of the Special Committees shall be Directors; among them, members of the Audit Committee shall be Directors who do not serve as senior management personnel of the Company. Independent Directors shall constitute a majority of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee, and serve as conveners; the convener of the Audit Committee shall be a professional in accounting.

The Special Committees shall conduct research on specialized matters and put forward opinions and recommendations for the Board of Directors' reference in decision-making. The Strategy Committee is responsible for researching the Company's strategic direction; the Remuneration and Appraisal Committee is responsible for researching matters related to the compensation and evaluation of the Company's directors and senior management; the Audit Committee is responsible for promoting and guiding the development of the Company's financial internal controls and compliance management, and for exercising the powers of the Supervisory Board as stipulated in the Company Law; and the Nomination Committee is responsible for vetting the selection of the Company's directors and senior management. Each Special Committee is accountable to the Board of Directors and conducts its work in accordance with its respective rules of procedure; proposals from each Special Committee shall be submitted to the Board of Directors for review and decision.

Senior Management

The Company shall have one President, who shall be nominated by the Chairman and appointed or removed by the Board of Directors. The Company shall have a number of Vice Presidents, who shall be nominated by the President and appointed or removed by the Board of Directors. The President, Vice Presidents, chief financial officer, and board secretary of the Company shall constitute the Company's senior management.

The President is responsible to the Board of Directors and exercises following functions and powers: (i) to be in charge of the Company's production and operational management, organize the implementation of the resolutions of the Board of Directors, and report his/her work to the Board of Directors; (ii) to organize and implement the Company's annual business plans and investment programmes; (iii) to draft plans for the establishment of the Company's internal management organization; (iv) to draft the Company's basic management system; (v) to formulate the specific rules and regulations of the Company; (vi) to submit proposals to the Board of Directors for the appointment or removal of the Company's Vice Presidents, chief financial officer and financial manager; (vii) to decide on the appointment or removal of management personnel other than those required to be appointed or dismissed by the Board of Directors, and filed with the Board of Directors; (viii) to develop compensation, benefits, and incentive and disciplinary plans for the Company's employees, submit them to the Board of Directors for approval, and decide on the hiring and termination of the Company's employees; (ix) upon authorization by the Board of Directors and in accordance with collective decisions made by the President's Executive Committee, to represent the Company in handling external affairs and signing economic contracts, including those related to investments, cooperative operations, joint ventures, and loans; (x) other functions and powers granted by the Articles of Association or the Board of Directors. The President shall attend the meetings of the Board of Directors.

The Company appoints a board secretary, who is a member of senior management and is responsible for preparing for shareholders' meetings and Board meetings, maintaining records, managing shareholder information, and handling information disclosure matters.

FINANCIAL ACCOUNTING SYSTEMS, PROFIT DISTRIBUTIONS AND AUDITING

Financial Accounting Systems and Profit Distributions

The Company shall establish its financial accounting systems in accordance with the relevant provisions of the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose the annual report to the local branch of CSRC and the stock exchange where the Company is listed; within two months after the end of the first six months of each fiscal year, the Company shall submit and disclose the semi-annual report to the local branch of CSRC and the stock exchange where the Company is listed. If the securities regulatory authority in the place where the Company's shares are listed contain additional provisions, such provisions shall prevail. The aforementioned annual and interim reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall not maintain any accounting records other than those required by law. It is not allowed to deposit the Company's capital into accounts under his/her own name;

When distributing each year's after-tax profits, the Company shall set aside 10% of its profits into its statutory reserve fund. The Company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the Company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for such losses before making allocations to the statutory reserve fund in accordance with the preceding paragraph. After the Company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders' meeting. The Company may distribute after-tax profits remaining after making up losses and making an allocation to the statutory reserve fund, in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association. If a shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the law to the Company; if such actions cause losses to the Company, the shareholders and the directors and senior management members who are responsible shall be liable for compensation. Shares of the Company held by the Company are not eligible for profit distribution.

The Company must appoint one or more paying agents in Hong Kong for its shareholders of H Share(s). The paying agents shall receive and hold, on behalf of the relevant shareholders of H Share(s), dividends distributed and other amounts payable by the Company in respect of the H Share(s), pending payment to such shareholders of H Share(s). The paying agents appointed by the Company shall comply with the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The reserve fund of the Company shall be used to make up losses of the Company, expand its production and operation or be converted to increase the registered capital of the Company. Where the reserve fund is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used; if losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the Company before such conversion.

After the Company's shareholders' meeting has adopted a resolution on the profit distribution plan, or after the Company's Board of Directors has formulated a specific plan based on the conditions and upper limits for the following year's interim dividend distribution reviewed and approved by the annual shareholders' meeting, the distribution of dividends (or shares) must be completed within two months. If it is not possible to implement the specific plan within two months due to provisions of the laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed, the implementation date of the specific plan may be adjusted accordingly in accordance with such provisions and actual circumstances.

Internal Auditing

The Company has implemented an internal audit system that clearly defines the leadership structure, responsibilities and authorities, staffing, funding, utilization of audit results, and accountability for internal audit activities. The Company's internal audit system is implemented after approval by the Board of Directors and is disclosed to the public.

The Company's internal audit department oversees and inspects the Company's business operations, risk management, internal controls, and financial information. The internal audit department is accountable to the Board of Directors.

In the course of overseeing and inspecting the Company's business operations, risk management, internal controls, and financial information, the internal audit department shall accept supervision and guidance from the Audit Committee. If the internal audit department identifies any material issues or leads, it shall immediately report them directly to the Audit Committee.

APPOINTMENT OF ACCOUNTING FIRMS

The Company engages an accounting firm that meets the requirements of the laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed to perform audits of financial statements, verification of net assets, and other related consulting services. The engagement term is one year and may be renewed. The engagement or dismissal of an accounting firm shall be determined by a shareholders' meeting, and the Board of Directors may not appoint an accounting firm prior to a decision by the shareholders' meeting.

The Company shall guarantee to provide the engaged accounting firm with true and complete accounting vouchers, accounting ledgers, financial accounting reports, and other accounting information, without refusal, concealment, or misrepresentation.

The audit fee of the accounting firm shall be decided by the shareholders' meeting.

If the Company terminates or decides not to renew the engagement of the accounting firm, it shall provide the firm with 30 days' advance notice, and the accounting firm should be allowed to make representations when the shareholders' meeting of the Company conduct a vote on the dismissal of the accounting firm.

If an accounting firm resigns from its engagement, it shall explain to the shareholders' meeting whether there are any improprieties on the part of the Company.

NOTICES AND ANNOUNCEMENTS

Notices

Notices of the Company shall be issued in the following forms: (i) to be delivered by a designated person; (ii) to be sent by express mail; (iii) to be sent by e-mail; (iv) to be published as an announcement; (v) other forms approved by the securities regulatory rules of the place where the Company's shares are listed, or as provided for in the Articles of Association.

Announcements

The Company has designated the Securities Daily, the website of CNINFO (http://www.cninfo.com.cn), and other media outlets designated by the CSRC as the channels for publishing the Company's A Share(s) announcements and other required disclosures. The Company's H Share(s) announcements and other required disclosures shall be published on the Company's website, the Hong Kong Stock Exchange's HKExnews, and other websites specified from time to time in the Hong Kong Listing Rules, in accordance with the relevant requirements of the Hong Kong Listing Rules.

With respect to the manner in which the Company provides and/or distributes corporate communications to shareholders of H Share(s) in accordance with the listing rules of the place where the Company's shares are listed, subject to compliance with the relevant listing rules of the place where the Company's shares are listed, the Company may also send or provide such corporate communications to shareholders of H Share(s) electronically or by publishing information on the Company's website or the website of the securities regulatory authority of the place where the Company's shares are listed, in lieu of delivering corporate communications to shareholders of H Share(s) by a designated person delivery or by prepaid mail.

The aforementioned corporate communications refer to any documents issued or to be issued by the Company for the reference of or for the purpose of prompting action by shareholders or other persons required by the Hong Kong Listing Rules, including but not limited to annual reports (including the directors' report, the Company's annual accounts, the audit report, and the financial summary report (if applicable)), the Company's interim reports and interim summary reports (if applicable), the Company's quarterly reports, notices of meetings, listing documents, circulars, proxy forms, etc.

Announcements issued by the Company shall comply with the provisions of the Company Law, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

MERGER, DIVISION, INCREASE OF CAPITAL, REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase of Capital and Reduction of Capital

The merger of the Company may take the form of a merger by absorption or a merger to form a new entity.

A merger by absorption occurs when one company absorbs another; in this case, the absorbed Company is dissolved. A merger to form a new entity occurs when two or more companies merge to establish a new company; in this case, all merging parties are dissolved.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons: (i) the term of business operation expires as specified by the Articles of Association or other matters leading to dissolution occur as specified by the Articles of Association; (ii) the shareholders' meeting resolves to dissolve the Company; (iii) dissolution is necessary as a result of the merger or division of the Company; (iv) the Company's business license is revoked or it is ordered to close down or it is deregistered according to laws; (v) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of voting rights of the Company may petition a people's court to dissolve the Company.

If the Company has grounds for dissolution, it must disclose such grounds through the National Enterprise Credit Information Publicity System within ten days.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend the Articles of Association: (i) after the Company Law or relevant laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed; (ii) the circumstances of the Company have changed, which are inconsistent with the matters recorded in the Articles of Association; (iii) the shareholders' meeting decides to amend the Articles of Association.

SUPPLEMENTARY PROVISIONS

The Articles of Association are written in Chinese. In the event of any discrepancy between the Articles of Association and any version in another language or any other version thereof, the Chinese version of the Articles of Association as most recently approved and registered by the company registration authority shall prevail. Matters not provided for in the Articles of Association shall be handled in accordance with the laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company's shares are listed, after taking into account the Company's actual circumstances. In the event of any conflict between the Articles of Association and the provisions of the laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company's shares are listed, as promulgated from time to time, the provisions of the laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the Company's shares are listed shall prevail.

1. FURTHER INFORMATION ABOUT OUR GROUP

A. Incorporation

Far East Industrial, our predecessor, was established under the PRC laws under the name of Far East Industrial Stock Co., Ltd. (遠東實業股份有限公司) on May 23, 1985 and was converted to a joint stock company on May 28, 1994 and listed on the Shenzhen Stock Exchange in January 21, 1997. By virtue of the Reverse Acquisition, Far East Industrial issued 471,236,736 shares to the VCG Original Shareholders as consideration for the acquisition of 100% of the equity interests in Huaxia Group and Huaxia Visual. The transaction constituted a major asset restructuring and a reverse acquisition of Far East Industrial under the A-share listing rules. Upon completion of the Reverse Acquisition, Far East Industrial held the entire equity interests in Huaxia Group and Huaxia Visual, and we achieved a listing on the Shenzhen Stock Exchange through Far East Industrial as the listing entity. On August 20, 2014, the Company changed its name to "Visual China Group Co., Ltd." (視覺(中國)文化發展股份有限公司) and the stock short name had also changed to "視覺中國". For further details of the Reverse Acquisition, see "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Reverse Acquisition and our A Shares Listing on Shenzhen Stock Exchange" in this document.

Our registered office is located at Room 101, 1/F, Building 6 No. 123 Hexiang Road, West Taihu Science and Technology Industrial Park, Changzhou, Jiangsu Province, PRC. Our Company has established a place of business in Hong Kong at 19/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong. Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on June 12, 2026, with Mr. Poon Ping Yeung (潘秉揚) appointed as the Hong Kong authorized representative of our Company for acceptance of the service of process and any notices required to be served on our Company in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association 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 relevant provisions of our Articles of Association is set out in Appendices IV and V to this document, respectively.

B. Changes in the Share Capital of our Company

There has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

C. Changes in Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our Company's subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I to this document. The following sets out the changes in the share capital of our Company's subsidiaries and our Company's subsidiary incorporated within the two years immediately preceding the date of this document:

(a) On March 3, 2025, Visual Huahan (Shenzhen) Cultural Technology Co., Ltd. (視覺華瀚(深圳)文化科技有限公司) was established as a limited liability company under the laws of the PRC, with a registered capital of RMB20,000,000;

(b) On March 26, 2025, Elephant Visual was established as a limited liability company under the laws of the PRC, with a registered capital of RMB100,000,000. On August 29, 2025, the registered capital of Elephant Visual was increased from RMB100,000,000 to RMB105,000,000;

(c) On July 29, 2025, Elephant Visual Technologies Limited was incorporated in British Virgin Islands with limited liability, with a registered capital of USD1,000;

(d) On September 9, 2025, Yuanshijue (Beijing) Cultural and Creative Co., Ltd. (元視覺(北京)文化創意有限公司) was established as a limited liability company under the laws of the PRC, with a registered capital of RMB5,000,000;

(e) On September 18, 2025, the registered capital of Shanghai Yuezhi Network Technology Co., Ltd. (上海悦芷網絡科技有限公司) was increased from RMB5,000,000 to RMB37,000,000, and was subsequently increased from RMB37,000,000 to 43,150,000 on January 28, 2026;

(f) On December 29, 2025, Beijing Chuangxin Zhiquan Cultural and Creative Partnership Enterprise (Limited Partnership) (北京創鑫智權文化創意合夥企業(有限合夥)) was established as a limited partnership under the laws of the PRC, with a registered capital of RMB2,000,000;

(g) On January 29, 2026, the registered capital of Changzhou Five Hundred Pixel Network Technology Co., Ltd. (常州五百像素網絡科技有限公司) was increased from RMB257,766,847.37 to RMB275,766,847.40;

(h) On February 6, 2026, the registered capital of Changzhou Visual Home Information Technology Consulting Co., Ltd. (常州視覺家信息技術諮詢有限公司) was increased from RMB500,000 to RMB5,800,000;

(i) On March 18, 2026, our Board resolved to approve the reduction in the registered capital of Chengdu Guangchang from RMB50,000,000 to RMB1,250,000. Subsequently on April 29, 2026, our Board resolved to approve the increase of the registered capital of Chengdu Guangchang from RMB1,250,000 to RMB10,000,000 by way of capital reserve conversion. The industrial and commercial registration of such changes had not been completed as of the Latest Practicable Date; and

(j) On March 30, 2026, our Board resolved to approve the increase of the registered capital of Yuandong Culture from RMB50,000,000 to RMB700,000,000. The industrial and commercial registration of such change had not been completed as of the Latest Practicable Date.

Save as disclosed above, there has been no alteration in the registered capital of the subsidiaries of our Company within two years immediately preceding the date of this document.

D. Resolutions of the Shareholders

Pursuant to the Shareholders' meeting held on March 16, 2026, the following resolutions, among other things, were (subject to the relevant regulatory approval, filing and registration) duly passed:

(a) the [REDACTED] by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the 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 granting to the [REDACTED] (or their representatives) of the [REDACTED] of no more than [REDACTED]% of the number of H Shares [REDACTED] pursuant to the [REDACTED];

(c) subject to the completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED], and the Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulator authorities; and

(d) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of H Shares on the Stock Exchange.

2. FURTHER INFORMATION ABOUT THE BUSINESS

A. Summary of Material Contract

Our Group has entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) the [REDACTED].

B. Intellectual Property Rights

As of the Latest Practicable Date, the following intellectual property rights are material to our Group's business:

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . . .	视觉中国 VISUAL CHINA GROUP	9、16、35、38、41、42	The Company	Hong Kong	303462129	July 1, 2035
2. . . .	VCG	9	The Company	PRC	52279883	November 27, 2031
3. . . .	VCG	41	The Company	PRC	16180056	September 20, 2027
4. . . .	VCG	42	The Company	PRC	16180056	September 20, 2027
5. . . .	VCG	38	The Company	PRC	16180056	September 20, 2027
6. . . .	VCG	16	The Company	PRC	16180056	September 20, 2027

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
7.	VCG	35	The Company	PRC	16180056	September 20, 2027
8.	爱视觉	41	Tianjin Hanhua Yimei	PRC	61530125	December 6, 2032
9.	爱视觉	16	Tianjin Hanhua Yimei	PRC	61533506	July 13, 2032
10.	爱视觉	42	Tianjin Hanhua Yimei	PRC	61537288	May 13, 2033
11.	爱视觉	9	Tianjin Hanhua Yimei	PRC	61529343	September 20, 2032
12.	爱视觉	38	Tianjin Hanhua Yimei	PRC	61522884	July 13, 2032
13.	500px	40	Tianjin Hanhua Yimei	PRC	31645051	June 13, 2029
14.	500px	38	Tianjin Hanhua Yimei	PRC	24353045	June 13, 2028
15.	corbis	35	Tianjin Hanhua Yimei	PRC	29737487	February 13, 2029
16.	corbis	16	Tianjin Hanhua Yimei	PRC	29742844	February 6, 2029
17.	corbis	42	Tianjin Hanhua Yimei	PRC	21350629	October 27, 2028
18.	corbis	9	Tianjin Hanhua Yimei	PRC	21343333	October 27, 2028
19.	veer	41	Tianjin Hanhua Yimei	PRC	26413823	January 13, 2029
20.	veer	40	Tianjin Hanhua Yimei	PRC	26402889	August 27, 2028
21.	veer	35	Tianjin Hanhua Yimei	PRC	26421973	September 20, 2028
22.	veer	16	Tianjin Hanhua Yimei	PRC	26408762	September 6, 2028
23.	图虫网 PHOTOCOME	41	Hanhua Yimei	PRC	51940917	February 6, 2032
24.	图虫网 PHOTOCOME	38	Hanhua Yimei	PRC	51950137	December 6, 2031
25.	CFP	40	Huaxia Visual	PRC	6708104	April 13, 2030
26.	CFP	9	Huaxia Visual	PRC	6708108	June 6, 2030

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
27. . . .	CFP	38	Huaxia Visual	PRC	6708105	August 13, 2030
28. . . .	光厂	41	Chengdu Guangchang	PRC	64179358	October 20, 2032
29. . . .	光厂	35	Chengdu Guangchang	PRC	64183059	January 6, 2033
30. . . .	光厂	38	Chengdu Guangchang	PRC	64166860	December 6, 2032
31. . . .	光厂	42	Chengdu Guangchang	PRC	64157914	October 20, 2032
32. . . .	光厂	16	Chengdu Guangchang	PRC	64168484	December 6, 2032

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which are material to its business:

No.	Patent Name	Patent Type	Patent Owner	Place of Registration	Patent Number	Expiry Date
1. . . .	Method, Apparatus, Electronic Device and Computer-Readable Medium for Video Recommendation (視頻推送方法、裝置、電子設備和計算機可讀介質)	Invention patent	Chengdu Guangchang	The PRC	CN202411143435.1	August 19, 2044
2. . . .	Method, Apparatus, Electronic Device and Computer-Readable Medium for Deduplication of Source Videos (素材視頻查重方法、裝置、電子設備和計算機可讀介質)	Invention patent	Chengdu Guangchang	The PRC	CN202411153255.1	August 20, 2044
3. . . .	Method, Apparatus, Electronic Device and Computer-Readable Medium for Digital Video Circulation (數字視頻流轉方法、裝置、電子設備和計算機可讀介質)	Invention patent	Chengdu Guangchang	The PRC	CN202411141866.4	August 19, 2044
4. . . .	Method, Apparatus, Device and Medium for Sending Early Warning Information of Digital Content Works (數字內容作品預警信息發送方法、裝置、設備和介質)	Invention patent	Chengdu Guangchang	The PRC	CN202411141882.3	August 19, 2044
5. . . .	Image Processing Device and Method Based on Wireless Communication Technology (一種基於無線通信技術的圖片處理設備及方法)	Invention patent	Chengdu Guangchang	The PRC	CN202311674047.1	December 6, 2043

No.	Patent Name	Patent Type	Patent Owner	Place of Registration	Patent Number	Expiry Date
6. . . .	Computer with Graphical User Interface of a Video Material Trading Platform (VJshi) (帶視頻素材交易平台網頁圖形用戶界面的電腦(VJshi))	Design Patent	Chengdu Guangchang	The PRC	CN202130622389.4	September 17, 2036
7. . . .	Mobile Phone with Graphical User Interface for Users to Search for Video Service Providers (帶用戶尋找視頻服務提供商操作圖形用戶界面的手機)	Design Patent	Chengdu Guangchang	The PRC	CN202130630171.3	September 22, 2036
8. . . .	Mobile Phone with Graphical User Interface Featuring Video Recommendation Function (帶視頻推薦功能操作圖形用戶界面的手機)	Design Patent	Chengdu Guangchang	The PRC	CN202130630334.8	September 22, 2036

(c) Copyrights

As of the Latest Practicable Date, our Group had registered the following copyrights which are material to its business:

No.	Copyright	Registered Owner	Registration Number	Registration Date
1. . . .	AI-powered Image Matching System for Articles (基於大模型文章智能配圖系統)	Tianjin Hanhua Yimei	2024SR2218331	December 27, 2024
2. . . .	API User Authentication System (API用戶鑑權系統)	Tianjin Hanhua Yimei	2023SR1673726	December 19, 2023
3. . . .	Contributor Remuneration Settlement System (供稿人稿費結算系統)	Tianjin Hanhua Yimei	2023SR0214463	February 9, 2023
4. . . .	Website Trending Keywords Management System (網站熱搜詞管理系統)	Tianjin Hanhua Yimei	2021SR1665879	November 8, 2021
5. . . .	PA Package E-commerce Management System (PA包電商化管理系統)	Tianjin Hanhua Yimei	2021SR0155110	January 28, 2021
6. . . .	Automatic Tag Management Platform (自動標籤詞管理平台)	Tianjin Hanhua Yimei	2020SR1869041	December 21, 2020
7. . . .	Sensitive Keywords Management Platform (敏感詞管理平台)	Tianjin Hanhua Yimei	2019SR1352461	December 12, 2019
8. . . .	Portrait Background Removal Data Collection Platform (人像摳圖數據收集平台)	Tianjin Hanhua Yimei	2020SR1739127	December 4, 2020
9. . . .	Hot Event Keyword Extraction System (熱門事件關鍵詞提取系統)	Tianjin Hanhua Yimei	2020SR1738485	December 4, 2020
10. . .	Security Review Management System (安全審核管理系統)	Tianjin Hanhua Yimei	2020SR0087416	January 16, 2020
11. . .	Veer Creative Asset Trading Platform (Veer創意素材交易平台)	Tianjin Hanhua Yimei	2019SR0092630	January 25, 2019
12. . .	Internet Image Structuring and Object Tracking Intelligent Control Platform (互聯網圖片結構化與目標追蹤智能管控平台)	Tianjin Hanhua Yimei	2019SR0092810	January 25, 2019
13. . .	Single Image Group Upload Software (iOS Version) (單組圖上傳軟件(iOS版本))	Tianjin Hanhua Yimei	2018SR1072230	December 26, 2018
14. . .	Image Data Analytics System for Online Media (網絡媒體用圖數據分析系統)	Tianjin Hanhua Yimei	2017SR241664	June 7, 2017
15. . .	Cross-border Data Synchronization System (跨洋數據同步系統)	Tianjin Hanhua Yimei	2017SR126539	April 19, 2017

No.	Copyright	Registered Owner	Registration Number	Registration Date
16.	Image Product API System (圖片產品API系統)	Tianjin Hanhua Yimei	2017SR124845	April 19, 2017
17.	Multimedia Management System Software (多媒體管理系統軟件)	Tianjin Hanhua Yimei	2013SR124328	November 12, 2013
18.	Creative Content Management and Review Platform (創意內容管理審核平台)	Hanhua Yimei	2025SR0187823	January 27, 2025
19.	News and Video Trading System (資訊視頻交易系統)	Hanhua Yimei	2025SR0187671	January 27, 2025
20.	Image Asset Classification and Management System (圖片素材分類管理系統)	Hanhua Yimei	2023SR1743861	December 25, 2023
21.	Sports Event Management System (體育事件管理系統)	Hanhua Yimei	2022SR1623616	December 29, 2022
22.	Creative Video Operation Management System (創意視頻運營管理系統)	Hanhua Yimei	2022SR1547837	November 18, 2022
23.	Eagle Eye System (鷹眼系統)	Hanhua Yimei	2022SR0232838	February 15, 2022
24.	vdam Media Version System (vdam媒體版系統)	Hanhua Yimei	2021SR0107835	January 20, 2021
25.	VEER E-commerce Platform (VEER電商平台)	Hanhua Yimei	2020SR1890890	December 24, 2020
26.	Image Comparison and Verification System (圖片比對校驗系統)	Hanhua Yimei	2019SR1389856	December 18, 2019
27.	Image Usage Assistant System (用圖助手系統)	Huagai Creative (Tianjin) Video Technology Co., Ltd. (華蓋創意(天津)視訊科技有限公司)	2020SR0050234	January 10, 2020
28.	Image Library Invitation System (圖庫邀約系統)	Huagai Creative (Tianjin) Video Technology Co., Ltd. (華蓋創意(天津)視訊科技有限公司)	2018SR1076517	December 26, 2018
29.	VJshi Creator Platform Digital Evidence Works Management System (光廠創意VJshi網光廠數字存證作品管理系統)	Chengdu Guangchang	2025SR0655189	April 22, 2025
30.	VJshi Creator Platform Blockchain-based Digital Evidence Credit Sharing and Referral System (光廠創意VJshi網光廠區塊鏈數字存證額度包分享裂變獲取系統)	Chengdu Guangchang	2025SR0655157	April 22, 2025
31.	VJshi Video Project Funding Guarantee Publishing Tool (光廠視頻製作項目需求資金擔保發佈工具)	Chengdu Guangchang	2025SR0085379	January 14, 2025
32.	VJshi Platform Copyright Video Works Bulk Settlement System (光廠創意VJshi網光廠版權視頻作品批量結算系統)	Chengdu Guangchang	2024SR1574765	October 22, 2024
33.	VJshi Platform Copyright Music Digital License Verification and Inquiry System (光廠創意VJshi網光廠版權音樂作品數字授權書核驗查詢系統)	Chengdu Guangchang	2024SR1392330	September 19, 2024
34.	VJshi Platform Copyright Video Trading System (光廠創意VJshi網光廠版權視頻作品交易平台系統)	Chengdu Guangchang	2024SR1113333	August 2, 2024
35.	VJshi Platform Video Copyright Intelligent Recognition and Detection System (光廠創意VJshi網光廠視頻作品版權智能識別檢測系統)	Chengdu Guangchang	2024SR1052453	July 24, 2024

(d) Domain Names

As of the Latest Practicable Date, our Group had registered the following domain names which is material to its business:

No.	Domain Name	Registered Owner
1. . . .	www.vcg.com	Hanhua Yimei
2. . . .	www.cfp.cn	Hanhua Yimei
3. . . .	www.vjshi.com	Chengdu Guangchang
4. . . .	www.veer.com	Elephant Visual
5. . . .	www.500px.com	500px Inc.
6. . . .	www.500px.com.cn	Changzhou Five Hundred
7. . . .	www.ishijue.com	Hanhua Yimei

3. FURTHER INFORMATION ABOUT THE DIRECTORS

A. Particulars of Directors' Service Contracts

Each of the Directors [has entered] into a service contract with our Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

B. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I to this document, none of our Directors received other remunerations or benefits in kind from us for the three years ended December 31, 2023, 2024 and 2025.

Except for Mr. Liao Jie, there is no arrangement under which any Director has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

C. Disclosure of Interests

(a) Disclosure of interests of Directors and chief executive

Save as disclosed below, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or 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 or 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.

(i) Interest in our Company

			Immediately following the completion of the [REDACTED]		
Name of Director or chief executive	**Nature of interest(1)**	**Type of Shares**	**Number of Shares**	**Approximate percentage of shareholding in our A Shares**	**Approximate percentage of shareholding in the total issued share capital of our Company(2)**
Mr. Chai Jijun(3). . . .	Beneficial owner	A Shares	24,175,842	[REDACTED]%	[REDACTED]%
	Interest held jointly with other persons	A Shares	110,700,145	[REDACTED]%	[REDACTED]%
	Interest of spouse	A Shares	100,000	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated 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 the [REDACTED].

(3) Mr. Chai Jijun and Ms. Wu Xiaoyan are spouses. As of the Latest Practicable Date, Ms. Wu Xiaoyan held A 100,000 Shares. By virtue of the SFO, Mr. Chai Jijun and Ms. Wu Xiaoyan are deemed to be interested in the Shares held by each other.

Ms. Wu Yurui, Mr. Liao Daoxun, Mr. Chai Jijun have also entered into the Concert Party Arrangements to act in concert in exercising the voting rights attached to their Shares held in the Company, which will remain effective after the [REDACTED]. Therefore, by virtue of the SFO, each of Ms. Wu Yurui, Mr. Liao Daoxun and Mr. Chai Jijun is deemed to be interested in the Shares held by each other. See "History, Development, and Corporate Structure — Concert Party Arrangements" for details.

(ii) Interest in our associated corporations

So far as our Directors are aware, immediately following the completion of the [REDACTED], no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

(b) Disclosure of Interests of Substantial Shareholders in Other Members of Our Group

(i) Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", 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]), our Directors are not aware of any other person (not being a Director, Supervisor or chief executive of our Company) who will have an interest or short position in our 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 is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(ii) Interests of substantial shareholders in other members of our Group

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):

Parties with 10% or more equity interest	Our Subsidiaries	Approximate percentage of shareholding
		(%)
Yang Da (楊達)	Chengdu Guangchang Creative Technology Co., Ltd. (成都光廠創意科技有限公司)	30.40
	Changzhou Guangchang Creative Technology Co., Ltd. (常州光廠創意科技有限公司)	25.60
Beijing Sansi Ceyuan Consulting Service Co., Ltd. (北京三思策源諮詢服務有限公司)	Elephant Visual (Shenzhen) Technology Co., Ltd. (大象視覺(深圳)科技有限公司)	19.05
Shenzhen Huahan Zhongcheng Film and Television Media Co., Ltd. (深圳華瀚眾誠影視傳媒有限公司)	Visual Huahan (Shenzhen) Cultural Technology Co., Ltd. (視覺華瀚(深圳)文化科技有限公司)	49.00
Ding Kezheng (丁可錚)	Price (Beijing) Cultural Communication Co., Ltd. (普萊斯(北京)文化傳播有限公司)	49.00

D. Disclaimers

Save as disclosed in this section and the section headed "Business" in this document:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (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 or which will be required, pursuant to section 352 of the SFO, to be entered 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 Issuers once the H Shares are [REDACTED];

(b) none of our Directors or any of the experts referred to under the paragraph headed "— 5. Other Information — E. Qualifications of Experts" has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been 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;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) so far as is known to our Directors, no person (not being a Director or chief executive of our Company or any member of our Group) will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our

Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. SHARE INCENTIVE SCHEME

The following is a summary of the principal terms of the 2023 Employee Stock Ownership Scheme, which was outstanding as of the Latest Practicable Date. The terms the 2023 Employee Stock Ownership Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it constitutes a share scheme involving the grant of existing Shares by the Company, and no new Shares will be issued or granted they by our Company after our [REDACTED].

A. 2023 Employee Stock Ownership Scheme

(a) Purpose

The purpose of the 2023 Employee Stock Ownership Scheme is to establish and improve the benefit-sharing mechanism for employees and Shareholders, further enhance corporate governance, drive our Company's performance growth, attract and retain management talents and key personnel, strengthen employee cohesion and corporate competitiveness, stimulate employee enthusiasm and creativity, and promote our Company's long-term, sustainable, and healthy development.

(b) Participants

The participants of the 2023 Employee Stock Ownership Scheme include Directors (excluding independent non-executive Directors), senior management, mid-level management, and key personnel of our Company with the total number of participants not exceeding 30. All participants shall have an employment or labor relationship with our Group.

(c) Administration

The 2023 Employee Stock Ownership Scheme is subject to the approval of the shareholders' meetings. The 2023 Employee Stock Ownership Scheme is administered by a management committee (the "**Management Committee**"), the members of which are elected by the holders of Shares awarded under the 2023 Employee Stock Ownership Scheme. The Management Committee is responsible for overseeing the daily operation and management of the 2023 Employee Stock Ownership Scheme.

(d) Source of shares and maximum number of awarded Shares

The source of the underlying Shares of the 2023 Employee Stock Ownership Scheme shall be ordinary A Shares of our Company repurchased from the secondary market. The total number of A Shares granted under the 2023 Employee Stock Ownership Scheme is 1,400,000 A Shares, accounting for approximately 0.1998% of the total share capital of our Company on the date of publication of the scheme and of which include 420,000 retained Shares (the "**Retained Shares**"), the grantees of which shall be determined within the term of the scheme.

(e) Term of the scheme

The term of the 2023 Employee Stock Ownership Scheme is 60 months, commencing from the date when our Company announces the registration of the last tranche of target Shares under the 2023 Employee Stock Ownership Scheme (the "**Announcement Date**"). Upon expiry, the 2023 Employee Stock Ownership Scheme shall be terminated if it is not extended upon expiry.

(f) Lock-up period and vesting of the Shares

The Shares awarded under the 2023 Employee Stock Ownership Scheme are subject to lock-up period of 12 months, which shall commence from the Announcement Date. Each participant's entitlement to the corresponding portion of A Shares held by the 2023 Employee Stock Ownership Scheme, shall be vested in three tranches in the proportion of 40%, 30% and 30%, upon expiry of a period of 12 months, 24 months and 36 months from the Announcement Date, respectively. The vesting of A Shares shall be subject to attainment of corporate performance targets and personal evaluation for each participant. The vested A Shares shall either be sold by the Management Committee, with the proceeds to be distributed to the participants proportionately, or transferred to the relevant participants.

(g) Purchase price

The initial purchase price of the awarded Shares under the 2023 Employee Stock Ownership Scheme is RMB7.51 per A Share. The purchase price shall be adjusted upon the occurrence of certain events, including among others, increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision or consolidation of shares, issue of new shares or distribution of dividends.

(h) Details of the Shares Granted

As of Latest Practicable Date, there were eight grantees in total who were granted the A Shares (excluding the Retained Shares) under the 2023 Employee Stock Ownership Scheme, including nil Director and four senior management members who are not Directors, and four employees. The details of the A Shares to the grantees under the 2023 Employee Stock Ownership Scheme are as follows:

Name of the grantee	Position	Date of grant	Grant price	Lock-up arrangement	Number of underlying A Shares granted	Approximate percentage of issued Shares immediately after the [REDACTED](1)
			(RMB)			
Senior management members						
Ms. Chen Chunliu	Vice president and head of finance	December 21, 2023	7.51	Note (2)	160,000	[REDACTED]%
Mr. Zhang Zongtang	Vice president	December 21, 2023	7.51	Note (2)	160,000	[REDACTED]%
Mr. Li Yi	Vice president	December 21, 2023	7.51	Note (2)	120,000	[REDACTED]%
Mr. Li Miao	Board secretary	December 21, 2023	7.51	Note (2)	100,000	[REDACTED]%
Others						
Other four employees		December 21, 2023	7.51	Note (2)	440,000	[REDACTED]%

Notes:

(1) 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 the [REDACTED].

(2) For the lock-up arrangement for the A Shares granted under the 2023 Employee Stock Ownership Scheme, see "— (f) Lock-up period and vesting of the Shares" above.

5. OTHER INFORMATION

A. Estate Duty

The Directors have been advised that no material liability for estate duty under PRC laws is likely to fall on our Group.

B. Litigation

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this document, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

C. Sole Sponsor

The Sole Sponsor has made an [REDACTED] on behalf of our Company to the [REDACTED] for [REDACTED] of, and permission to [REDACTED], the H Shares of our Company.

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US$500,000 to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

D. Compliance Advisor

Our Company has appointed Central China International Capital Limited as our compliance advisor in compliance with Rules 3A.19 of the Listing Rules.

E. Qualifications of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	Licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Merits & Tree Law Offices . .	Legal advisor to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

F. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — E. Qualifications of Experts" in this appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report, letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in any member of our Group 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.

G. 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 (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

H. No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our business, financial condition and results of operations since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, and up to the date of this document.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

J. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Appendix V — Summary of the Articles of Association — Increase, Reduction and Repurchase of Shares" in this document.

K. Preliminary Expenses

We have not incurred any material preliminary expenses.

L. Promoters

Within two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

M. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in "Appendix I — Accountants' Report — 36. Material Related Party Transactions" in this document.

N. Miscellaneous

Save as disclosed in this document:

(g) within the two years immediately preceding the date of this document:

(i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms had 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; and

(iv) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(h) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(i) 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;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) there is no arrangement under which future dividends are waived or agreed to be waived;

(l) save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be [REDACTED] in connection with the [REDACTED], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(m) all necessary arrangements have been made to enable the H Shares to be admitted into [REDACTED] for clearing and settlement.

O. 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).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contract referred to in "Appendix VI — Statutory and General Information — 2. Further Information about the Business — A. Summary of Material Contract" in this document; and

(b) the written consents referred to in "Appendix VI — Statutory and General Information — 5. Other Information — F. Consents of Experts" in this document.

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 Company's website at **www.vcg.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this document;

(c) the report on unaudited [REDACTED] financial information of our Group from KPMG, the text of which is set out in Appendix II to this document;

(d) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;

(e) the legal opinion from Merits & Tree Law Offices, our Company's PRC Legal Advisor, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(f) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in the section headed "Industry Overview" in this document;

(g) the service contracts between each of the Directors and our Company referred to in "Appendix VI — Statutory and General Information — 3. Further Information about the Directors — A. Particulars of Directors' Service Contracts" in this document;

(h) each of the material contract referred to in "Appendix VI — Statutory and General Information — 2. Further Information about the Business — A. Summary of Material Contract" in this document;

(i) the written consents referred to in "Appendix VI — Statutory and General Information — 5. Other Information — F. Consents of Experts" in this document; and

(j) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures together with their unofficial English translations.